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“Nuclear Agreement with Iran: Can’t Trust, Can We Verify?”
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Chairman Royce, Ranking Member Engel, Members of the Committee, I am pleased to appear again before you today to present my views on the emerging nuclear agreement with Iran. When I last testified before you on this subject on June 10th of last year, I began by commending you and all the members of this Committee, past and present, for the extraordinary leadership you have provided on the issue of Iran’s nuclear weapons program, not just over the last two or three years, but over the last two or three decades. The efforts you have undertaken since the Joint Comprehensive Plan of Action (JCPOA) was announced on April 2nd demonstrate your continued engagement. I again thank you for your determination to ensure that any agreement with Iran serves the interests of the United States and advances the cause of international peace and security.

The JCPOA is not, of course, a final agreement. But the details that have emerged give us a reasonably good understanding of what the final agreement will look like. And while certainly the bargain will have some positive features, there should be no misunderstanding about its overall significance. ***This deal will represent acceptance by the international community of Iran as a nuclear weapons threshold state.***

By “nuclear weapons threshold state,” I do not mean that we’re accepting that Iran will have nuclear weapons, but we are accepting that, after ten years or so, Iran will have the ability to produce nuclear weapons in very short order, within a matter of weeks, or perhaps even days. This is important because countries that are able to produce nuclear weapons virtually overnight have to be treated by the rest of the world as if they already have nuclear weapons, because at any given moment, no one knows for sure that they don’t. Such countries may not have nuclear weapons today, but they are so close to having them that they nevertheless are able to engage in nuclear intimidation of others. Consequently, those who feel intimidated will be sorely tempted to develop nuclear options of their own, potentially giving rise to the very cascade of nuclear proliferation in the Middle East that experts have long predicted would occur if Iran’s nuclear ambitions were not restrained.

And by “accepting,” I mean that the United States is abandoning the policy pursued for more than twenty years by the Clinton, Bush, and, until now, Obama Administrations, to make sure Iran neither had nuclear weapons nor was on the threshold of producing them. We are

committing to drop our nuclear-related sanctions, accept the legitimacy of the nuclear program that is affording Iran this capability, and even to support future international transfers of equipment and technology to that program.

By any measure, this is a huge retreat in U.S. nonproliferation policy, and a big victory for Iran in its decades-long quest to gain acceptance of its nuclear program.

A Faustian Bargain

Why would we relent in our longstanding policy of seeking to ensure that Iran is not on the threshold of producing nuclear weapons? Fundamentally, according to the Obama Administration, it is because this deal will increase Iran's nuclear weapons break-out time from two or three months today to at least one year. I understand that there is some disagreement among experts whether this is really true, but for purposes of my testimony today I will assume that it is true. And if true, this is good news, because it means that Iran will be significantly further away from being able to produce its first nuclear weapon than it is today.

Like virtually all the other claims made about this deal, however, one needs to add to this claim the caveat that the agreement will do this only for the next 10 to 15 years. And if it's very important today to extend Iran's breakout time to one year, it's fair to ask why that will stop being important after 10 years.

Further, we have to recognize that beginning after 10 years, Iran's breakout time will not just revert back to two or three months, but to a significantly shorter period than that.

This is not just my opinion. Even President Obama concedes this. Two weeks ago in an interview with NPR, he dismissed allegations that the agreement would not effectively extend Iran's breakout time during its initial phase, and went on to say:

What is a more relevant fear would be that in Year 13, 14, 15, they have advanced centrifuges that enrich uranium fairly rapidly, and at that point, the breakout times would have shrunk almost down to zero.

If anything, President Obama's remarks understate the long-term implications of this deal for Iran's ability to break out of the Nuclear Nonproliferation Treaty. He seems to be speaking here only about the effect of two features of the agreement on Iran's breakout time by about the 13th year. These two features are the deployment of additional centrifuges at Natanz, which will be permitted after 10 years, and advances in Iranian centrifuge technology—something the agreement permits Iran to perfect during the first 10 years of the agreement, and to begin deploying after 10 years.

Significantly, Iran will remain subject to a number of other restrictions on its enrichment program through the 15th year of the agreement. For example, through the 15th year Iran will be forbidden to enrich above 3.67 percent, to possess a stockpile of low enriched uranium greater

than 300 kg, to enrich uranium at Fordow,¹ or to build any new enrichment facilities. After the 15th year, all of these restrictions will come off.

So if beginning by about the 13th year Iran's breakout time will have "shrunk down almost to zero" due solely to the capabilities of the centrifuges it will be permitted to have at Natanz, one can only imagine what Iran will be able to do once these other restrictions come off following year 15. Beyond reducing Iran's breakout time to the vanishing point, it is clear that Iranian breakout scenarios will no longer be about Iran potentially producing one or two nuclear weapons, but about producing an entire arsenal of nuclear weapons in very short order, should Iran wish to do so.

Also, it is important to stress that under this agreement, America will be deciding now to accept possession by Iran of these capabilities after 10 years, no matter what kind of government is in power in Tehran after the restrictions on Iran begin to expire. We are committing now not only to end our nuclear sanctions on Iran and not re-impose them so long as Iran complies with the agreement, but also apparently to facilitate the international transfer of nuclear equipment and technology to Iran's nuclear program.² Should America determine after 10 years that it would be dangerous for the government then in power in Tehran to possess these capabilities, the option of renegeing on the deal will be fraught with risk. Should the United States do that, Iran will be fully justified in accusing our nation of violating its solemn international commitments, absent some Iranian violation of the agreement that we can point to justifying our action. Iran will be the aggrieved party, not the United States.

For these reasons, the emerging agreement appears to be a classic Faustian bargain. In German legend, Faust was a man who sold his soul to the devil in exchange for a grant of magical powers for 24 years. That essentially is the deal that is being offered here. We are being offered gratification in the short term—a one-year breakout period that may enable us to rest a little easier for the next 10 years. But after that, the short-term benefit goes away, and Iran gets everything it has ever wanted from us with respect to its nuclear program.

Implications for Iran

Typically the term Faustian bargain is used to describe a shortsighted decision. But there is one circumstance where striking a Faustian bargain may not be shortsighted, and that is where

¹ Iran will also be forbidden to possess any fissile material at Fordow through year 15 of the agreement, clearly implying that following year 15 Iran may possess such material at Fordow. Fissile material is, by definition, nuclear material that could be used to build a nuclear weapon.

² While not mentioned in the State Department fact sheet describing the JCPOA, the Iranian fact sheet states "International nuclear cooperation with the Islamic Republic of Iran, including with members of the P5+1, will be possible and enhanced in the fields of constructing nuclear power plants, research reactors, nuclear fusion, stable isotopes, nuclear safety, nuclear medicine and agriculture, etc. . . .Iran will also be provided access to the global market and the international trade, finance, technical knowledge and energy sectors."

there is a reasonable expectation that the devil will die, or at least be transformed, before the short term benefit we're seeking expires and we have to hand over our soul. I can recall another Faustian bargain in the nuclear nonproliferation area that was quietly sold to Congress on those terms.

In 1994, the Clinton Administration negotiated the so-called Agreed Framework with North Korea in an effort to shut down that country's nuclear weapons program. The basic bargain there was that we promised to give North Korea two highly advanced light water nuclear reactors if they would eliminate the one, much more primitive reactor they were using to produce plutonium for nuclear weapons. There were debates among experts about how hard it would be for North Korea to extract plutonium from the two reactors we were to give them, but it was unquestionable that the two reactors were capable of producing more plutonium than the one reactor North Korea was to give up. So this was manifestly a bad deal in the long term.

But working on the staff of this Committee at the time, I recall Clinton Administration officials privately making what then seemed like a very persuasive argument in favor of the Agreed Framework. "Don't you get it," they would say, "it will take us at least 15 years to complete the first of these nuclear reactors; by the time we get to that point, the North Korean regime will be long gone. What we're really buying here is time."

In 1994, less than three years after the collapse of the Soviet Union and the Warsaw Pact, and just five years after the Tiananmen Square protests, this was not an implausible argument. Of course, with the benefit of hindsight, we know today that it was wishful thinking. The North Korean regime is still with us more than twenty years later, isn't tottering any more today than it was in 1994, and is still doggedly pursuing nuclear weapons. We can be grateful that, by getting caught cheating on the Agreed Framework, North Korea saved us from having to deliver the two nuclear reactors that had been promised to them.

Applying this experience to Iran, we need to ask, is there a reasonable expectation that the current Iranian regime is likely to be gone in 10 years, or at least have moderated its behavior? All indications are to the contrary. Today Iran is already riding high within the region, notwithstanding two decades of Western sanctions and extremely low oil prices.

In economic terms, this deal offers Iran a huge shot in the arm. According to a Wall Street Journal report last week, the Obama Administration estimates that implementation of the deal will give Iran access to \$100-140 billion in frozen funds in offshore accounts, with \$30-50 billion of that to be released immediately upon signature. This compares to a government budget in Iran this year of roughly \$300 billion.

To put these numbers in perspective, offering Iran \$100-140 billion in cash is the equivalent of offering the United States, with our \$3.9 trillion government budget in 2015, a total of \$1.3-1.8 trillion in cash, with \$390-650 billion of that to be delivered immediately. If someone were about to that much cash available to our government, how much pressure would

we feel to scale back our international commitments and reduce defense spending? How worried would we be about our ability to satisfy pent-up demands for social services? Would we think that we urgently needed to reform our political system, or that we were now in a much better position to withstand calls for reform?

And this is just the cash portion of what is being offered to Iran. The additional government revenue that they can expect from new foreign investment and trade over the next ten years due to the end of sanctions is likely to be even more significant than the cash they will receive up front.

I do not pretend to be an expert on Iranian politics. But the economics of this deal suggest to me that we are about to diminish the prospects for transformation in Iran rather than enhance them.

Implications for the Nuclear Nonproliferation Regime

One aspect of this deal that especially concerns me is the likely effect on global efforts to combat nuclear weapons proliferation. As you know, this has been one of the top foreign policy priorities of the United States in recent decades, and is something we see as critical not only to stability in volatile regions such as the Middle East, but also to protecting the security of our homeland, given the risk of nuclear terrorism.

One lesson that we have learned from Iran and North Korea is that a key to stemming nuclear weapons proliferation is denying potential proliferators access to the sensitive technologies that can be used to produce fissile materials—most importantly, the technologies to enrich uranium and to reprocess spent nuclear fuel to obtain plutonium. Both the current Administration and the last one have invested considerable effort in seeking to limit the spread of these technologies. They even persuaded some governments—the United Arab Emirates and Taiwan—to permanently forswear the possession of these technologies.

In this deal, however, the United States is approving the possession by Iran of a limited enrichment capability for the next ten years, and an extremely robust enrichment capability thereafter. If the United States is prepared to concede this capability to Iran, what country are we going to deny it to? Especially when it comes to close allies of the United States, how will we explain to them that uranium enrichment technology is so sensitive that we only trust Iran with it, and couldn't possibly allow them to have it?

This is not a hypothetical concern. Senior Saudi officials have already stated publicly that they intend to match whatever nuclear capabilities we concede to Iran in this deal. And Saudi Arabia is hardly the only country in the Middle East that is worried about Iran's growing nuclear capabilities. How will American officials talk these countries out of following in Iran's footsteps to achieve a hedge against Iran's newly accepted status as a nuclear weapons threshold state?

No doubt there will be talk of extending America's nuclear umbrella over our friends in the region, with the suggestion that they don't need their own nuclear breakout capability because they can count on American resolve and American nuclear weapons to defend them. This will be an odd offer coming from a President who has pledged to reduce the role of nuclear weapons in international security, but presumably the Administration will find this preferable to standing aside while nuclear weapons infrastructures proliferate in the region. Also, when we extended nuclear guarantees to our allies in Europe, Japan, and Korea, we found that to make the guarantees credible we needed to both build up our nuclear forces, and station American personnel on the ground in these countries to serve as human tripwires in the event of conflict. Similar steps may also prove necessary for such a strategy to have a chance of succeeding in the Middle East. The cost of such steps needs to be counted among the potential costs of this deal.

Even if we are prepared to take these kinds of steps, there is every chance that one or more countries in the region will say "thanks, but we really would rather have our own enrichment capability to match Iran's." How do we respond to that? The practical answer is that we don't. Having conceded such a capability to Iran, ultimately we are not going to be able to deny it to any other country determined to have it, whether in the Middle East or elsewhere.

Concluding Recommendations

Before closing, I want to offer two additional recommendations.

First, while I have grave doubts about the verification mechanism that is likely to be negotiated to monitor implementation of this agreement, it is important to do everything we can to ensure that the mechanism functions as effectively as possible. In that regard, it is essential that the International Atomic Energy Agency have adequate resources to fulfill its verification responsibilities. Congress needs to work with the Executive branch to ensure that those resources are made available.

Second, I strongly support the principle of congressional review and approval of whatever agreement is finally negotiated with Iran. Your colleagues in the Senate deserve great credit for working in a bipartisan fashion to develop legislation providing for congressional oversight. There is no reason why, if logic supports the final deal, the President will be unable to persuade a majority of the members of both houses of Congress to vote in favor of it. But if the President brings back a deal that cannot command majority support in Congress, it would be most regrettable for him to seek to move forward on the strength of his veto pen alone, not least because that would likely put our nation on a path to diplomatic failure.

I will conclude my remarks here and invite your questions.