

## CHAPTER 12

### WHAT TRANSATLANTIC STRATEGY ON IRAN?

**Thérèse Delpech**

Unlike the situation prevailing on Iraq, where Europe and America have been arguing for years over international inspections, war tactics, and overall policy, there is no serious transatlantic dispute concerning Iran. There may be differences of emphasis on the two sides of the Atlantic, but on what really matters, the positions are pretty close. Europe and America share a common objective vis-à-vis Tehran. They share a common analysis of the Iranian nuclear program,<sup>1</sup> and they even shared a common caution concerning the success of the negotiations that finally failed in August 2005. Yet, this does not amount to a transatlantic strategy on Iran. Far from it. Regular exchange of information, lack of alternative policy, and absence of confrontation would be a better description of the situation.

On the European side, a first round of negotiations collapsed in June 2004, when some of the suspended nuclear activities were resumed by the Iranians. The international community was abruptly set back to square one at the International Atomic Energy Agency (IAEA) September Board meeting. The second agreement with the three European capitals (London, Berlin, and Paris) came into existence 2 months later – on November 15, 2004 – under these difficult circumstances. The substance of the negotiations was now broader. There were three issues at stake (nuclear, trade, and security), and the nature of the Iranian commitments was more precise – leaving very little room, if any, for interpretation of what the suspension actually covers. In August 2005, this second agreement was terminated by Iran, which decided to resume suspended conversion activities. Iranian intentions are now clearer. According to the main negotiator, Hassan Rohani, Iran has used the talks with the Europeans to gain time.

On the other side of the Atlantic, America has been watching on the sidelines, without a strategy of its own, waiting to see what happens.

The Americans have not endorsed the European initiative explicitly, nor have they condemned it. Instead they have displayed a benign scepticism. But at the end of 2004, President Bush himself made it clear that a diplomatic solution to the Iranian conundrum was preferable to any other – assuming, naturally, that such a solution was possible. After his trip to Europe in February 2005, Europeans and Americans came even closer.<sup>2</sup> What will happen now that the talks have failed is still open to question.<sup>3</sup> Tehran had threatened repeatedly to agree only to a “short” suspension, which was terminated shortly after the new president took office. A transatlantic cooperation now appears indispensable for the next steps to take.

Finally, beyond transatlantic relations, it is important to understand how crucial the Russian factor is as well. Moscow, where anxieties over Iran’s nuclear program are growing, should be on board for transmission of the Iranian dossier to the United Nations (UN) Security Council. In August 2005, during the IAEA Board meeting, the Russian delegation appeared worried about the prospect of any decisive step concerning Tehran. There apparently is much less reason than in the 1990s to suspect that Moscow will help an Iranian nuclear program, at least directly. But the prospect of losing the contracts associated with Bushier because of an international crisis does constitute an important factor in Russian calculations.<sup>4</sup>

Eventually, a common strategy among these three actors—Europe, America, and Russia—is key to any satisfactory solution to the potential nuclear threat posed by Iran, since China, as usual, will not like to appear isolated. But the first indispensable step is a transatlantic agreement.<sup>5</sup>

## UNDERSTANDING THE PLAYERS

### Iran.

A good understanding of what the Iranian government *wants* to achieve with its nuclear program is essential; a second question being what it *can* actually achieve, both politically and technically. The first question may be answered in different ways.

*Iran wishes to create an indigenous civilian nuclear fuel.* Such has been the most frequent claim in Tehran: the program is entirely

peaceful, and there is no reason to deprive Iran of its inalienable right to benefit from the peaceful nuclear uses that the Nonproliferation Treaty (NPT) guarantees in a solemn fashion in its Article IV. Leaving aside the fact that the “right” guaranteed by the NPT is conditional to fulfillment by member states of their nonproliferation commitments, the problem with this hypothesis is not so much that Iran’s energy resources (oil and gas) are so abundant that nuclear energy does not make economic sense. After all, Tehran has the right to prepare for the future with some further diversification of its energy policy. The problem lies elsewhere: in the long (20-year) secrecy surrounding such “peaceful” nuclear expansion and in the size and variety of its nuclear fuel cycle. The 50,000 P1 centrifuges planned in Natanz appear grossly disproportionate to Iran’s only reactor under construction (Bushier), which will receive Russian fuel for the next 10 years. (Those first generation centrifuges are, in addition, uneconomical).

The kinds of imports that Iran has been engaged in also often make little sense in a civilian program. Finally, the production of materials such as uranium metal points in the direction of military ambitions as well. But if Iran actually wants a nuclear energy program after raising so many suspicions, then the solution is easy to find. The fuel cycle activities should again be suspended permanently, the facilities dismantled, and the necessary fuel will be provided by Russia, with a European guarantee, should Russia be unable to implement its pledge. This guarantee was explicitly offered to Tehran by the three European nations in August 2005 and rejected.

*Iran wishes to use its nuclear program as a bargaining chip.* Parallels with North Korea may be suggestive. For years, Washington has favored such an analysis concerning Pyongyang’s nuclear activities. Eventually, a good deal will lead Kim Jong Il to drop his nuclear ambitions because the real objective was to get America’s attention and security guarantees for the regime. There is very little evidence to support this view in the North Korean case, particularly since it appears that the enrichment route was investigated shortly after the plutonium route was closed down by the Agreed Framework in 1994. (The Joint Declaration adopted on September 19, 2005, and challenged less than 24 hours later by Pyongyang, does not alter this analysis.) In the case of Iran, the regime may have reasons to be

fearful after the insistence by the Bush administration on “regime change” in “rogue states,” and even more after having witnessed the short time needed for the American troops to overthrow Saddam Hussein in March 2003. The Iranian regime indeed may wish to get a guarantee that it can get only from America. But this cannot be the purpose of nuclear activities started in 1985! At that time, the enemy was Iraq, and the chemical attacks on Iranian troops already were 2 years old. The main problem with the West was not only its silence on the proscribed use of chemical weapons (CW) (under the 1925 Geneva Convention), but its open support of Baghdad. Yet, the fact that the Iranian nuclear program was not conceived as a bargaining chip – a pretty obvious fact – does not mean that it could not have become such a chip under different circumstances. But the choice of the new regime apparently was to close this door.

*Iran wants the bomb, period.* All the main indicators are pointing in this direction. If there was one major benefit of the two deals with the Europeans in October 2003 and November 2004, it was undoubtedly the extensive knowledge acquired on the Iranian program during the years 2003, 2004, and 2005. Iran was soon in no position to delay further intrusive inspections on its soil, even though the very first inspection, planned for October 2003, only took place in February 2004. After Natanz and Arak, many other sites were subject to international inspections, including Isfahan, Lashkar Abad, and the Kalaye Electric factory (Tehran), which was supposed to be a watch factory and appeared to be a pilot plant for P1 centrifuges.<sup>6</sup> The first explanations provided by Iran on a number of issues had to be changed and complemented at different times in order to make them consistent with findings or outside revelations. Actually, not all the information came through the IAEA inspections. The Libyan revelations and the discovery of A.Q. Khan network, for instance, were crucial in uncovering in 2004 the P2 centrifuges deal with Pakistan in 1995. But the reading of the different IAEA reports to the Board show how much came out of the hundreds of inspections performed on Iranian territory, far beyond what Iran was willing to acknowledge at the beginning of the process. In addition, it appears that Iran discussed acquiring technologies central to making nuclear arms as soon as 1986 and 1987 with members of the network run by A. Q. Khan.<sup>7</sup> If the bomb is the only credible objective of so much

secrecy, so many purchases,<sup>8</sup> and so many lies, then the main question was *when* the tactical decision to agree to the suspension would be revised. The answer was provided in August 2005.

*What can Iran achieve technically?* This question is difficult to discuss for a simple reason. While much knowledge has been acquired since February 2003, there is no certainty whatsoever that the entire range of Iranian nuclear activity is known. The possible existence of a clandestine nuclear program located in military facilities or in undisclosed places also has to be taken into account. By definition, what has been, is, and still may be done there is unknown. And the relationship between the civilian open fuel cycle and hidden nuclear military activities is unknown as well. What part of the civilian fuel cycle is necessary for the clandestine program? The answers to these questions are essential for assessing the current stage of development of the Iranian nuclear program. One can note, however, that the pace of conversion during the summer and fall of 2004 demonstrated a good mastery of the process, and also that the advancement of conversion activities looked urgent on the fall. This is probably why, instead of suspending conversion on November 15 as promised to the Europeans, activities went on until the adoption of the IAEA resolution—and apparently until February 18 for conversion into UF<sub>4</sub>!—in order to make the best possible use of time. This does not mean that Iran does not face some technical difficulties, for instance, when dealing with P2 centrifuges. Some technical incompetence should not be ruled out. But progress is most probably steady as well, as claimed by the Iranians themselves with or without assistance from abroad.

*What can Iran achieve politically?* Iran's political game is pretty transparent. First, to get overwhelming support of the nonaligned nations by insisting on the right to benefit from peaceful uses of nuclear energy. Second, to neutralize Arab countries by emphasizing Israel's nuclear capability and by promoting a "nuclear weapon free zone" in the Middle East, an objective that is particularly dear to Egypt. Third, to question available intelligence on Iran by making frequent references to intelligence failures regarding Iraq. Fourth, to "cheat and retreat," delay access, remove evidence. And fifth, to engage in discussions with as many interlocutors as possible in order to divide them. Iran has been obliged to deal with the IAEA

since its ratification of the NPT, and at the beginning of the crisis in September 2002, its relations with that agency were tense. The resolution adopted by the IAEA Board of Governors in September 2003 was rejected by Iran. The Europeans entered the stage then, and Iran quickly understood that some room for maneuver was available. The demands presented by Berlin, London, and Paris were characterized as going beyond Iran's obligations under the IAEA statute, and confusion was created concerning the perimeter of the suspension agreed on in October 2003. Fortunately, thus far the three European powers have displayed good coordination – but there may still be some differences between them that can be exploited.<sup>9</sup>

Then there is the commercial relationship with Russia. The Iranian hope was that Moscow would focus its attention solely on trade, and that Europe would compete with Russia. Neither of these beliefs proved exactly right, but even though Iran feels that it has been let down by the Russians, it will continue to attempt to play the Russian card. And this card still is far from being fully transparent to the rest of the world.

Finally, there is the Transatlantic relationship. Tehran first wanted to secure from the Europeans a number of commitments that would have directly opposed them to Washington. In increasing order of importance, they were: no additional discussion of the Iranian issue at the IAEA Board of Governors;<sup>10</sup> no transfer of the dossier to the Security Council; no sanctions whatsoever; a rejection of any threat or use of force, and of any European participation should a military operation eventually take place. No such commitments could be made by any responsible player, but the Iranian strategy seemed to be that it did not cost much to at least try!

## **The Europeans.**

Initially, the Europeans came together for three different reasons: they wanted to show that diplomatic means could succeed in stopping proliferating nations; they were anxious to find some unity after the dispute over Iraq in 2003; and, last but not least, they felt threatened by Iranian nuclear and ballistic missile programs. The deadlock that the IAEA found itself in when Tehran rejected the September 2003 resolution was therefore the occasion for the European initiative.

*Effective Multilateralism.* The European Union (EU) published a common strategy on weapons of mass destruction (WMD) nonproliferation in June 2003. That document covers nuclear, biological, and CW and their delivery vehicles. One of its main objectives was to present “multilateralism” as a means not to delay action or postpone crises, as Washington was inclined to see it, but to achieve concrete results. The leading role played by the United Kingdom (UK), Germany, and France in trying to stop Iran’s nuclear program is an essential part of this policy. Another important illustration of “effective multilateralism” is the Proliferation Security Initiative (PSI), launched in Cracow but signed in Paris, which was designed to interdict the passage of cargoes intended for use in WMD programs. The PSI deserves special mention, since it was the interdiction of a German ship in October 2003 that led to the discovery of the P2 centrifuges deal between Pakistan and Iran that had been made in 1995. Both cases are supposed to demonstrate “effective multilateralism” not only on paper, but also in action. Therefore, success or failure of current negotiations will be seen in the wider context of the “European way.” This way is not limited to diplomacy: the European pressure on Iran has been backed by a threat to send the matter to the Security Council, which would be asked to make a decision about any further measures imposed on Iran. As a result of this pressure, in November 2004 Iran retracted its decision to resume uranium enrichment. The threat is still valid, particularly after Iran’s resumption of conversion activities in August 2005, and in this context no action is excluded in principle. But the clear preference of the European nations was to obtain a permanent suspension of enrichment and reprocessing activities in Iran, as well as access and verification without sanctions, coercion, or use of force.

*Solidarity of the three European Powers.* Although differences between London, Berlin, and Paris exist concerning their respective situations and approaches, they have maintained close cooperation at all stages of the Iranian saga, from October 2003 onwards. The British have to take into account their military presence in Iraq, which is unpopular in the UK, and where Iranian agents or operatives are in a position to cause a great deal of trouble. This is particularly relevant since the UK is operating in Shia-dominated areas. Paris and Berlin are not burdened by this handicap. The Germans have

a Green Foreign Minister, whose party is famous for its hostility not only to nuclear weapons – a matter of contention with France – but also to military action, whatever the circumstances. This last characteristic was again very much present during the German electoral campaign in 2005. The French have a tendency – particularly difficult to swallow in London – of defining their policy in opposition to Washington. Still, the Europeans' common resolve to stop Iran's nuclear ambition by leading international pressure on Tehran took precedence over misunderstanding or disagreement on other issues. Regular meetings have been held in the three capitals and in Vienna before any discussion with the Iranians, and so far the differences between them have been more cosmetic than real. This being said, it was always clear that should diplomatic pressure eventually fail, the situation may change. The United States has dropped hints about taking military action in order to halt Iranian ambitions.<sup>11</sup> If such steps were taken in the future, who would be most reluctant to follow suit? The answer to this question is not easy. In fact, the greatest surprise has come first from London, not from Germany, when Jack Straw declared in November 2004 that there was no military solution to the Iranian problem. This statement came at the worst possible time, just before a crucial meeting with the Iranian delegation.<sup>12</sup>

*The Iranian Threat to Europe.* Most observers have understood the European initiative as a way of preventing some unspecified American action against Iran.<sup>13</sup> This interpretation misses completely what is probably the most important point: Europe, like Russia, sees Iran's ambitions as threatening. Granted, the threat is, first and foremost, internal to the Middle East. A nuclear capability would radicalize the region, may justify additional nuclear programs in Arab nations (Egypt, Saudi Arabia, or Syria), and constitute a threat to the security of Israel – whose very existence is not recognized by Tehran.<sup>14</sup> But the Middle East is one of the regions where Europe wants to play an increasing political role. This is true in today's world, and will become even more so in the future. If and when Turkey is admitted into the EU, Europe will have a border *within* the Middle East. This geo-strategic situation will entail additional responsibilities regarding the stability of the whole region. In this context, it is difficult to overemphasize the security turmoil that an Iranian nuclear bomb would create. Moreover, such a capability

could pose a direct threat to European territory, taking into account the range of the Iranian ballistic missiles.

Ballistic missile programs in Iran are making steady progress. When Tehran tested its *Shehab 3* in 1998, it came as an unpleasant surprise not only to the region, but also to Europe.<sup>15</sup> Cooperation between Tehran and Pyongyang is well-established, ranges are increasing, and the prospect of seeing these delivery vehicles equipped with unconventional warheads is quite real. Iran's basic motive for acquiring nuclear weapons may be defensive in nature, but it may also be coercive, part of a much more dangerous doctrinal posture. Finally, Iran's involvement in terrorism is well-documented, and one cannot completely rule out threats of WMD terrorism supported by Tehran.

### **America.**

The United States faces difficult choices in Iran, and it remains unclear whether those choices already have been made. No clear policy can be discerned from public statements made so far. The preference for Security Council intervention expressed by Washington since November 2003 – which would indeed be well-founded<sup>16</sup> – does not mesh with a more forward-looking strategy. What exactly would the Security Council do? A clearer and more determined U.S. policy is essential to any favorable outcome.

*The Burden of the Past.* In 1979 when the collapse of Reza Shah Pahlavi took place, the event was seen in Washington as a political and strategic disaster. It also came as a surprise: when President Carter took office in 1977, he had a number of foreign policy priorities, among which Iran was not expected to be a problem. But on November 4, 1979, the U.S. embassy in Tehran was overrun, and the hostage crisis began – one of the worst international situations Washington has faced in the last 3 decades. Over the next 6 months, the Iranian issue was given priority at the daily cabinet-level meetings, and eventually Iran so dominated the last years of the Carter presidency that it contributed to its defeat.

Then followed the Iran-Iraq war where Washington sided with Baghdad, which further angered Tehran. More recently, the bombing of the U.S. military barracks at Khobar Towers in Saudi

Arabia in 1996 was identified as being instigated by Iran. Finally, Iran funds the Hezbollah and harbors al Qaida operatives. Since 1979 the United States has imposed sanctions on Iran that are regularly reconfirmed. Diplomatic relations remain broken, and attempts to engage even informal talks with Tehran have never succeeded. The Iranian rhetoric with regard to “The Great Satan” may now be less inflammatory than it was, but it is still harsh. Deep distrust remains present on both sides. The recent election in Tehran is unlikely to alleviate it.

*The Iraqi Conundrum.* Observers may be too quick to suspect secret deals between Washington and Tehran, but the paramount importance of the Iraqi dossier for the Bush administration is hard to forget. It must be integrated into any U.S. strategy over Iran. This being said, it probably would be a mistake to conclude that Washington will be soft on Iran because of Iraq. The stakes in the region are simply too high to be ignored. When former President Khatami declared that “America is not in a position to take a lunatic action of attacking Iran” because “the United States is deeply engaged in Iraq,” the statement was misleading for this very reason. But Iraq does remain the primary concern. Those who believe that the Europeans are in a better position to negotiate, because they do not have to take into account the Iraq dimension as much as America does, are also wrong.

First, the UK has a problem similar to that of America, with the presence of significant British troops in the southern part of Iraq.<sup>17</sup> Second, Iraq is a much more complex issue in Tehran than are the results of the 2003 war. The Iranians have never forgotten that the West in general, not only the United States, supported Iraq in the bloody 1980-88 war. Nor have they forgotten the absence of international response when Iraq employed CW against Iranian troops. Although this period is now more than 20 years in the past—the first use of CW was in 1983—it is still very much present in the Iranian psyche.<sup>18</sup> As recently as October 2003, at the very moment when the first deal was concluded with the three European powers, an article appeared in the Iranian press with the following sentence: “One can still see the wounds on our war veterans that were inflicted by poison gas as used by Saddam Hussein that was made in Germany and France.”<sup>19</sup>

*American Deterrence.* The Iranian regime may be fundamentalist, but it has not so far shown tendencies towards adventurous moves.<sup>20</sup> Tehran is not North Korea, at least until now. And there is no doubt in Iran that its military strength is dwarfed by that of America. Washington may have good reason to think twice before deciding on any use of force against Tehran, but the last thing the mullahs or new president want is a military confrontation with Washington.<sup>21</sup> If one were to take bets on who is more afraid of a military scenario, the answer is clear. It also is obvious that any attack against Israel by Tehran, particularly a nuclear attack, would trigger a massive American response. What is at stake for the Iranians is both the security of their country and the survival of the current regime. Authoritarian regimes tend to be conservative by nature: they know how the famous Clausewitzian concept of “friction” could change even the most firmly established political situation during a war. And if the current regime has succeeded in eliminating any meaningful opposition, the fact is that it also appears inexperienced and far from firm.

## **Russia.**

In a recent article, an American official with direct knowledge of the subject stated that “Stopping Russian assistance to Iran’s nuclear program was a high priority for the United States throughout much of the 1990s.”<sup>22</sup> Moscow long has been an ambiguous player with regard to Iran and may have changed in recent years—the coming months will tell. In the past, Minatom has had confidential agreements with Tehran, related in particular to the training of experts and the export of equipment—both of which could have helped the Iranian military program. Russia may still fear that the full extent of its deals with Tehran will surface. Moscow also still has important economic interests in the country. But the acquisition of a nuclear capacity may be increasingly frightening to the Russian leadership as well. And rightly so, since Iran is far from being an ally to Moscow. Conflicting interests are therefore shaping Russia’s position.

*A more serious partner than in the past?* Taking into account the experience of the 1990s, Russia has long been considered an ambiguous partner on Iran. The situation seemed to change in

the fall of 2003, probably because some new elements about the Iranian nuclear program became known in Moscow. The question is whether the leadership in Moscow has given precise instructions—to Minatom/Rosatom in particular—to exert utmost prudence. The decision to withhold the contract concerning the fuel destined for the light water reactor at Bushier up to the moment where sufficient guarantees were acquired by the Russians has been seen as an indication that Moscow not only actively supported the European talks, but even wanted to contribute to them in kind. The contract concerning the return of the spent fuel was signed on February 27, 2005, and the Bushier reactor may start operating in December 2006, with the fuel delivered at the beginning of the year. Granted, IAEA inspectors are supposed to “monitor closely the use of the fuel and where it goes,” according to the IAEA’s spokeswoman Melissa Fleming, but the Russian move has raised some concern related to a possible crisis just during or after the delivery. The crucial question is what will happen to the fuel if Iran decides to put an end to all international inspections. Under the current circumstances a wise decision would be to delay the date of delivery.

*There is no doubt in Moscow about Iran’s intentions.* At the highest levels of the Russian leadership, the judgement concerning Iran’s intentions is no longer an enigma for the outside world: Moscow strongly believes that Iran has nuclear weapons ambitions. Apart from the indications that can be found in the IAEA reports, which are already strong enough, Russia undoubtedly has intelligence of its own on the subject. It may even know more than the West does about people involved in the program, about sensitive imports, and even about additional locations. After all, since so many people from Minatom/Rosatom—and other agencies—have been in Iran over the years, it is difficult to believe that such is not the case. And the Russians are no amateurs in the area of intelligence. Sharing this information would add confidence to the Moscow/West dialogue on Iran, but is unlikely. An opposite result would occur if influential officials in Moscow were to continue making ambiguous statements about the nature of the program. Such was the case in January 2005, when Russian Foreign Minister Serguei Lavrov declared: “I have no basis to believe that the situation is diverging from a normal course and that the peaceful character of Iran’s nuclear program

will be changed";<sup>23</sup> and again in February, just before the signature of the spent fuel contract, when President Vladimir Putin, himself, contrary to his own beliefs, declared that there was no indication that Iran was pursuing a military nuclear program. In August 2005, similar statements were again made, raising doubts about Moscow's commitments.

*Moscow recognizes the security threat, but not openly.* Lavrov's and Putin's statements notwithstanding, there are indications that, in the context of instability at the Russian southern border, this additional and most serious development is actually worrying Moscow. The question is whether consistent diplomatic positions based on this awareness will be adopted, particularly at a time when new tension is rising with Washington over the "democracy" issue, Ukraine and the Baltic states. An important question in Moscow is whether Iran has reached the point of self-sufficiency, and whether the empowerment of those seeking a nuclear breakout is generating an unstoppable proliferation momentum. Iran is fully aware of some change of mood in Russia and is somewhat concerned by it, trying to keep Russian statements as ambiguous as possible. As long as Moscow does not openly recognize the military nature of the program, it will be difficult to know what will happen should the dossier be transferred to the UN Security Council. Russian support may be difficult to get, as Chinese support is, for energy reasons.

*For all the above reasons, Russia should be at the same time reassured and asked to provide more clarity in its position.* Europe and America can duly consider Russia's security fears. Russia, in return, should coordinate its actions and support transmission to the Security Council if talks run into a dead end. But will it?

## **The IAEA.**

*The Only Multilateral Player.* The IAEA is in unique position: what the inspectors report to the Secretariat, and what the Secretariat reports to the Board<sup>24</sup> are widely seen as unbiased by any national position. Whether this is entirely true in the case of Iran remains to be seen. Within the hierarchy of the Agency, there seemed to be different viewpoints concerning the Iranian dossier, highlighted by an interview Pierre Goldschmidt gave to the French newspaper,

*Le Figaro*, when he left office in June. The differences of views are sometimes palpable in the reports. And there is also some obvious reluctance at the IAEA to do anything that could result in a transmission to the Security Council, whatever the findings on the ground. In addition, there is no real expertise within the IAEA on weaponization, with the exception of the Head of the Action Team dedicated to Iraq who took another position in the Agency. Finally, there have also been factual mistakes, for instance when an IAEA report in February 2004 identified P1<sup>25</sup> and L1<sup>26</sup> as G1.<sup>27</sup> This has raised useless suspicions about the Agency's competence. More serious is the fear, expressed by George Perkovich in an open letter to the IAEA's Director General, that "Many capitals are so resistant to the current administration bullying that they urge you to cook the books to produce reports that will forestall another Iraq-style showdown."<sup>28</sup> Such a belief would call into question the neutrality of the Agency and its ability to report facts, or rather *all* the facts, to the Board of Governors. In this context, it is interesting to note that at the February 2005 Board, for the first time, Mohammed El Baradei issued no formal written report on Iran (the same occurred again in June). This shift was decided at a time when significant new elements had surfaced (to mention just two of them: the – undeclared – existence of a tunnel just north of the uranium conversion facility at Isfahan, and the new evidence concerning an extensive offer by the A. Q. Khan network in 1987). One can also wonder why the IAEA asked for an entire month in August to produce its report on the implementation of safeguards in Iran, losing precious time at a moment when Iran was resuming conversion activities at full speed.

*The IAEA has an uneasy relationship with Iran.* The story of the Iran/IAEA relationship is one of concealment and constant efforts to hinder inspection,<sup>29</sup> and of constant reluctance on the part of the IAEA to recognize clear violations or make full use of its powers. In January 2005, while a EU3/Iran meeting was in progress, UN nuclear experts were allowed to take environmental samples from some green spaces in the complex of Parchin.<sup>30</sup> For months, the Agency had been pressing Tehran for permission to inspect the military complex which was used to produce high explosives and missiles. If the intent was to assess proscribed Iranian research concerning

explosives related to the bomb, environmental samples will be insufficient.<sup>31</sup> And in addition, access was only very partial. But, as a result, Iran is now in a position to pretend that access to Parchin has been granted – and that no nuclear activity had been detected. Why has the IAEA agreed to such bizarre modalities of inspections?<sup>32</sup> Consequently, the IAEA did ask Iran to allow a second inspection on the same site, which has not been accepted so far.<sup>33</sup> The modalities of inspection should include “complementary access” to the site and its facilities, in conformity with the Additional Protocol signed by Iran, rather than just environmental samples in a limited area.

*The IAEA is an ambiguous partner for the Europeans.* In October 2003, the IAEA, then engaged in a standoff with Iran, was somewhat irritated by the first European deal. The Agency narrowed the perimeter of the suspension agreed among the three European powers with the argument that it was too comprehensive to be acceptable under the IAEA statute. A significant problem has also surfaced because the IAEA will never pass judgement on the implementation of the “suspension” agreed with Iran by the EU/3, while the Agency is recognized as the ultimate authority to decide compliance or violation with commitments undertaken by Iran and has a November 2004 Board resolution supporting the EU/Iran agreement. When quality tests were undertaken by Iran on pieces of centrifuges in January 2005, for instance, they were thought to be inconsistent with the November 15 deal, but the IAEA did not consider them a breach, having in mind the statute more than the EU/Iran agreement. In general terms, there is no doubt in IAEA minds that the way the Iranian program was carried out was unjustifiable economically and points to a military program, but there is no clear statement of this kind from the Agency. IAEA reports do not even always permit obtaining a clear view of what is going on in Iran:<sup>34</sup> in the November 2004 report to the Board, for instance, where a long list of breaches from Iran had been listed (see paragraph 86 of the report), a sentence inconsistent with the report had been inserted: “To date, there is no evidence that the previously undeclared nuclear material and activities referred to above are related to a nuclear weapons program.” To what else could all the concealment, conversion activities in uranium metal, multiple attempts to acquire beryllium, and contradictory statements be related? Such a sentence

having been written, the IAEA should at least show the international community that it indeed has done everything possible to justify the assertion. “Complementary access” to additional sites, including military sites, will be necessary for that purpose, but the Agency appears unwilling to make full use of its rights. Only in February 2005 was there a clear backing by the IAEA for a comprehensive deal with the Europeans that would address nuclear power, regional security, and trade, but this was at a time when such a deal already was considered highly unlikely in European capitals because the main objective of the talks – cessation of enrichment and reprocessing activities – was already simply rejected by Tehran at that stage, without any alternative solution presented by Iran to the Europeans.

## **SOME TRANSATLANTIC SCENARIOS**

As Robert Einhorn has put it: “The Iran nuclear issue poses two critical tests for the United States and Europe. The first is whether, after the deep divisions over Iraq, Americans and Europeans can work together effectively on an issue of major importance to each other as well as the world at large. The second is whether dissuading a resourceful, determined country from acquiring nuclear weapons is possible through means short of military force. The two tests are, of course, closely related.”<sup>35</sup> It is with this in mind that the following scenarios should be appreciated.

### **America Joins European Negotiations.**

Good arguments, which are unlikely to be effected at this stage, could be presented in favor of this move, if Iran returns to suspension. A transatlantic deal with Iran would be the best scenario for all players concerned: Iran would shut down its fuel cycle activities and keep proliferation-resistant nuclear reactors; the nuclear fuel would be provided by Russia with European guarantee and returned to the supplier. The abandonment of Iran’s military nuclear ambitions would be accomplished in return for economic and security benefits. Whether such a bargain can be realized with Iran is open to question. It appears very unlikely with the new government and the new

negotiator, who never accepted contemplation of a permanent suspension. But such was also the position of the previous team, and the price to pay for continuing fuel cycle activities useless for a civilian program may focus minds at some point. If this scenario would become more realistic than it is in September 2005, Washington should be on board to help achieve it: the main benefits cannot come from Europe alone. The only meaningful security guarantees are American, and trade with Iran is also meaningless without American sanctions being lifted.<sup>36</sup> In any case, negotiations should in no case be bilateral, as some Iranian officials have sometimes suggested, because this would only add confusion and room for maneuver in Tehran. The benefit of an American involvement can result only from good coordination with the Europeans. Should the talks succeed, Washington would be part of the success. And success could mean either reaching an agreement or buying time in order for the Iranian leadership to evolve. Should negotiations fail, the Bush administration would be in a position to maintain that it has tried to help the diplomatic process to no avail. As a precaution though, Washington could present three conditions to the Europeans. First, it would be prepared to help the process only if the suspension could be considered permanent in an *explicit* – not only *implicit* – manner, with an endorsement from the Security Council now that Iran has breached a second agreement with Europe. Second, the UF<sub>6</sub> produced in Iran since August 2005 should leave the territory of Iran. Third, any significant finding would lead the Europeans and the Americans to work together to transfer the Iranian nuclear dossier to the Security Council for harsher measures as soon as November 2005. There the United States, Europe, and Russia would be able jointly to choose a range of measures *that should be determined between them in advance*.

Last but not least, America – along with the European powers – could mobilize Arab states that are also worried about nuclear developments in Iran. As George Perkovitch notes, they currently are much too passive. Egypt, for instance, sees it very much as Israel does: as a threat to its very existence, but its diplomacy at the NPT review conference in May 2005 has, in fact, shielded Iran. Why? Gulf nations have no doubt about Iran's hypocrisy when Tehran tries to neutralize them.<sup>37</sup> Nuclear weapons in Iran are seen as an indication

of Iran's will to exert dominance over the region, particularly over the Gulf, and to reshape the Middle East.

This first scenario had gained some ground at the beginning of the second Bush administration. After returning from Europe in February 2005, President Bush reportedly asked his advisors to think about a list of incentives to offer Tehran as part of European talks with Iran. But events on the Iranian political scene since have again put it on the back burner.

### **Europe Joins America in the Security Council.**

This is an outcome that the Europeans have never ruled out. Again on January 19, French Minister of Foreign Affairs Michel Barnier stated that, "In case the negotiations fail, the dossier will be brought to the Security Council where a resolution will define what the international community should do." And in August 2005, Jacques Chirac repeated the same threat: "If Iran does not reestablish confidence, the Security Council will have no other choice than to take up the dossier." In the first half of 2005, the Europeans have been delaying the Iranian program but not solving the problem.<sup>38</sup> What was lacking in the European negotiations was a clear threat of precise punitive measures to back the talks. Without such a threat, the talks were actually doomed.<sup>39</sup> The Security Council was not seen by Iran as a realistic scenario because the kind of action that could be adopted in New York remained unclear. Beyond a clear endorsement of the European demands, the UN Security Council could ask for more intrusive powers for the inspectors who currently have no sufficient access to sites, documents and personnel; adopt sanctions related to investments on oil and gas infrastructures, very much needed in Iran; decide on an arms embargo; and at the end of the process, if nothing else has worked, an oil embargo and even a threat of further action. The only condition to fulfill is to take into consideration the importance of time : if action is not quick enough, the international community may find itself with another North Korea, able to blackmail the world with capabilities that are not fully known.

The second round of negotiations has been presented all along as the "last chance" for Iran. The deal was to suspend any transfer

to the Security Council while the suspension of fuel cycle activities were themselves suspended. At the present stage, no option should be withdrawn from the table,<sup>40</sup> and such is the IAEA message of the September resolution. But it is fair to acknowledge that a transfer to the UN Security Council would have been easier in November 2003,<sup>41</sup> when a long list of violations was acknowledged, than now, when additional problems have surfaced without any major new violation being identified. By major violation, one can understand either further discovery related to nuclear materials or Iranian activities on weaponization. So far, the strongest evidence of a nuclear weapons program is the 1987 A.Q. Khan offer, and, if confirmed, the thousands pages of Farsi-language computer files that were revealed by *The Wall Street Journal* in March and July, documenting Iran's efforts to adapt its *Shehab 3* missile for delivering a nuclear warhead. The paper gives specifications for size, weight and even height of detonation. This highly classified information was reportedly shared with the three Europeans and with the IAEA. However, short of using intelligence, transfer to the UN Security Council can still use past violations, that, according to the IAEA statute, *shall* be reported to the Council, without any specification of date. In addition, the IAEA has recognized in its reports to the Board that it was not in a position to verify in detail the chronologies and descriptions of the experiments which took place in Iran, and that the lack of records with regard to the amount of uranium rendered impossible a precise material accounting in the country. This is also a ground, according to the IAEA statute for referring the matter to the UN Security Council.

### **The Two Sides of the Atlantic Break Apart.**

This is Iran's preferred scenario, and the most dangerous outcome. It could happen in a number of ways: the Americans continuing to remain inactive on Iran, insisting on regime-change;<sup>42</sup> the British giving priority to the fear of Iranian interference in Iraq, and downplaying the Iranian nuclear threat;<sup>43</sup> the Germans remaining reluctant to use any means of coercion, particularly during an electoral campaign; the French—along with the British and the Germans—refusing to condone any U.S. threat to use force,

whatever the circumstances.<sup>44</sup> In addition, taking into account that the only meaningful sanction would concern investments on oil and gas infrastructures and Iranian oil sales, there may be reluctance in the three capitals to go that far for a number of reasons. One is the Iraqi precedent; another is the effect on oil prices, already very high; and a third is China's already stated position that Beijing would veto such measures at the Security Council. But whether this European reluctance would amount to a transatlantic divide is unclear. After all, America also might worry about the international consequences of such a move. But all the players would be well-advised not to forget that this particular dimension of the Iranian nuclear issue is far more complex. If Iran continues its military program, a number of regional players will be tempted to follow suit – including Saudi Arabia. Since this is the major oil producing nation in the world, what will be the effect on oil prices and how would this new problem be dealt with?

## CONCLUSION

Time is running out in September 2005 and stakes are high for both America and Europe. A multipolar nuclear Middle East is the last thing both partners wish to see develop.<sup>45</sup> For that reason, even an Iranian advanced nuclear capability that has not yet built a bomb is unacceptable. Such a situation would give rise to similar ambitions in the region and encourage the same kinds of military developments. As North Korea has taught us in East Asia, where Japan increasingly is nervous, ambiguity is dangerous.

## ENDNOTES - CHAPTER 12

1. As Robert Einhorn puts it, "Prospects for forging an agreed transatlantic approach toward Iran depend to a significant extent on whether the United States and Europe share a common understanding of Iran's nuclear intentions." "A Transatlantic Strategy on Iran's Nuclear Program," *The Washington Quarterly*, Autumn 2004. They did not in the 1990s. They now do.

2. On March 11, 2005, the U.S. Secretary of State issued a statement supporting the EU/3 efforts, underlining that "The Europeans have been very clear with the Iranians that there will have to be certain objective guarantees that Iran is not trying to use a civilian nuclear program to provide cover for a weapons program."

3. But for the first time on March 10, 2005, the three European powers have made clear that they “will have no choice but to support referring Iran’s nuclear program to the UN Security Council,” if Iran does not maintain the suspension of all its nuclear enrichment related and reprocessing activities and does not fulfill all its international agreements.

4. The agreement signed on February 27, 2005, between Russia and Iran concerning the fuel necessary for the Bushier reactor was consistent with the European negotiation in that it showed that Iran does not need fuel cycle activities of its own. But the fear of losing this contract may now have undesirable consequences.

5. The Euro-American talks at the end of January in Washington may well have had this purpose, in preparation for the visit to Brussels of President Bush in February. And the need for closer contacts was felt in August as well, when resumption of conversion activities took place in Iran.

6. Among the other inspected facilities were Bushier Nuclear Power Plant, Esfahan Nuclear Technology Centre, Laser Separation Laboratory, Lashkar Ab’ad, Tehran Nuclear Research Centre, and Karaj Nuclear Research Center.

7. The evidence reluctantly was turned over by Iran to the IAEA in February 2005. Mr Khan’s representatives offered in particular the technology necessary to cast uranium metal.

8. Or even attempts of purchases. For instance, there is evidence that Iran has attempted to purchase significant quantities of the substance. Five countries were involved in the attempts: Russia, China, Germany, Kazakhstan, and the United Kingdom. According to *Reuters*, January 21, “The only successful import of beryllium by Iran was a few grams purchased in Britain.” There is no evidence that the other attempts succeeded.

9. The common letter signed on March 10 by the EU/3 is the best show of unity so far. It states clear readiness to refer Iran’s nuclear program to the UN Security Council under certain circumstances, namely if full suspension is not maintained. Germany apparently had forgotten it in August.

10. When Iran renewed its enrichment activities in June 2004, the pretext was already that the Europeans had not honored their “promise” to remove the Iranian nuclear issue from the IAEA agenda. No such promise had ever been made.

11. At the beginning of the second Bush mandate, though, a number of statements were made in Washington concerning the absence of any military plans against Iran in the near future.

12. Probably to show that he did not do it by mistake, Jack Straw repeated the same position on January 19, saying that there was no alternative to Europe’s approach of using diplomacy to try to persuade Iran to give up technology that could be used to make nuclear weapons.

13. This interpretation was revived in January 2005 when media reported that the United States had been flying drones over Iran to locate hidden nuclear sites.

On February 15, Iranian state TV even reported that a missile had been fired from an unknown fighter not far from the Bushier nuclear reactor.

14. It would be more accurate to say that the regime in Tehran calls explicitly for the destruction of the State of Israel.

15. Since then, progress has been made in Iran. In October, Tehran announced successful trials of its *Shehab 3* ballistic missile with a range of 2000km, putting parts of Europe, as well as Israel and U.S. bases in the Gulf, within reach.

16. Because of the many violations Iran has already committed in the last 20 years!

17. In June 2004, eight servicemen were abducted by the Iranian Pasdaran to remind London, if need be, of their nuisance capability.

18. Rafsanjani himself noted: "The war taught us that international laws were only scraps of papers." See IRNA, 19 October 1988.

19. To my knowledge, the real issue on the French side at the time of Iraqi chemical attacks on Iranian troops was the use of French aircraft for the delivery of the gas.

20. In January 2005, the ISNA Student news agency quoted President Rafsanjani as saying, "The Islamic Republic is not a place for adventurism."

21. On January 18, there was a cryptic statement in Tehran: "We are able to say that we have strength such that no country can attack us because they do not have precise information about our military capabilities due to our ability to implement flexible strategies. We can claim that we have rapidly produced equipment that has resulted in the greatest deterrent." The IAEA should ask for an explanation concerning the meaning of what appears to be a nuclear threat. But it remembers Saddam's statements and Kim Jong Il's statements more than an actual threat that would lead Iran to the Security Council.

22. Robert Einhorn.

23. Interfax News Agency, January 18, 2005. Serguei Lavrov was in Petrozavodsk when he made this statement. The worst part of the statement is actually what follows: "The Iranian leadership assures us that the peaceful character of the nuclear program is precisely the aim of Tehran." An expert in leadership like Serguei Lavrov certainly knows what confidence can be attached to such empty claims.

24. There have been seven written reports to the IAEA Board so far: GOV/2003/40, dated June 6, 2003; GOV/2003/63, dated August 26, 2003; GOV/2003/75, dated November 10, 2003; GOV/2004/11, dated February 24, 2004; GOV/2004/34, dated June 1, 2004; GOV/2004/60, dated September 1, 2004; and GOV/2004/83, dated November 15, 2004.

25. Iranian centrifuges in Natanz, Iran.

26. Iranian centrifuges found in Libya in 2004. The Iranian and the Libyan models are based on design information stolen in the Netherlands by A. Q. Khan.

27. The G1 is a subcritical, single tube German model from the 1960s far simpler than the supercritical Dutch centrifuges. This mistake has correctly been denounced by *Nuclear Fuel* in January 2005, and the IAEA consequently should make a corrigendum in its next report.

28. George Perkovich, "Memorandum to Mohammed El Baradei," *Foreign Policy*, January-February 2005, pp. 60-64.

29. A flavor of the uneasy IAEA/Iran relationship can be provided by the last IAEA report, GOV/2004/83, where one can read on the first page—in the inimitable IAEA style—that the September Board of Governors,

strongly urged that Iran respond positively to the Director General's findings on the provision of access and information by taking such steps as are required by the Agency and/or requested by the Board in relation to the implementation of Iran's Safeguards Agreement, including the provision of prompt access to locations and personnel, and by providing further information and explanations when required by the Agency and proactively to assist the Agency to understand the full extent and nature of Iran's enrichment program and to take all steps within its power to clarify the outstanding issues before the Board's 25 November 2004 meeting, specifically including the sources and reasons for enriched uranium contamination and the import, manufacture and use of *centrifuges*.

30. Out of four areas identified by the Agency to be of political interest, the Agency was permitted to select one area. In addition, in that area the Agency was requested to minimize the number of buildings to be visited.

31. Unless some radioactive (other than fissile) material has been used in the process.

32. There was probably an internal debate on this subject within the IAEA since some days after the useless inspection, the agency was expressing the wish to come back to the Iranian military complex.

33. See "IAEA wants to conduct second Parchin inspection," *Nuclear Threat Initiative*, Global Security Newswire, January 19, 2005. Tehran considers that there is no justification for any additional visit.

34. What can be made for instance of the following sentence: "The Director General noted an increased degree of cooperation by Iran, while noting that some of the information and access were at times slow in coming and incremental, and that some of the information was in contrast to that previously provided by Iran." GOV/2003/75, November 10, 2003.

35. Einhorn.

36. This being said, contrary to the security basket, where the United States is the only serious player, the Europeans have a list of possible exports and investments that present a real interest for the Iranians.

37. The First International Institute for Strategic Studies (IISS) Gulf Dialogue in Bahrain (December 3-5, 2004) made this point abundantly clear. See also George

Perkovitch, "Iran is not an Island: A Strategy to Mobilize the Neighbours," forthcoming Carnegie Endowment for International Peace Policy Brief.

38. In order to have a clearer view on this point, it would be necessary to know how the overt program, which is suspended, is connected with the covert program.

39. See Gary Samore to AFP January 20: "In a way, the American threat to bomb Iran is also indirect pressure on Europe to do its very best to achieve a diplomatic solution."

40. The *New Yorker* has carried a detailed and only partially denied report that U.S. forces are carrying out missions inside Iran, pinpointing sites that could be hit by air-strikes. If such is the case, it may be part of a deterrence policy more than the indication that a choice has already be made.

41. This has long been the position in Washington, and the Americans have a point here.

42. A more moderate regime might bring some positive development, but it should be kept in mind that any threat of regime change would have the effect of strengthening the more conservative Iranians and that the Iranian youth are apparently supporting the nuclear option. See Ray Takeyh, "Iran Builds the Bomb," *Survival*, Vol 6, No. 4, Winter 2004-05, p. 59. In addition, reformers have lost ground during the last years.

43. How the British elections in the spring will influence the negotiating process is an open question.

44. In January 2004, a number of European leaders have indicated that talks with Iran were excluding any threat to use force. Germany repeated this position in August, when talks failed.

45. This is why, as a group of eminent experts gathered in November 2004 in Washington put it: "Just as the Europeans must be prepared to punish Iran should it fail to uphold the latest agreement, the United States must be willing to engage in a security dialogue with Tehran." See Iran Watch Roundtables (with the following panelists: Rolf Ekeus, Stanley K. Fraley, John Sigler, Terence Taylor, and Marcus Winsley).