

ACA Iran Nuclear Brief

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Iran Nuclear Negotiations: What's Next after Moscow?

On June 19, Iran concluded the third round of talks on its nuclear program in as many months, this time in Moscow, with senior officials of the six powers – the United States, the United Kingdom, France, Germany, Russia, and China. Although there were strong incentives for the six to secure limits on Iran's most worrisome stockpiles of enriched uranium and for Iran to avoid an impending tightening of economic sanction, no breakthrough was achieved by the end of the latest round. But neither did diplomatic dialogue come to an end. The sides reached agreement to meet again at a technical level within two weeks in Istanbul, to be followed by renewed contact between the senior negotiators. The following analysis looks at why these talks have been so difficult and what can be expected going forward.

HIGHLIGHTS

- After seven a seven-year hiatus, Iran is finally discussing at a senior political level constraints on its nuclear program.
 - o However, three rounds of negotiations between the six powers and Iran have revealed "significant gaps" in the substance of the sides' positions according to Catherine Ashton, chief of the six power delegation, leaving the future of the talks uncertain.
- Pressure is building to find a way out of the Iran nuclear crisis:
 - o With continuing enrichment of uranium at ever higher levels and inadequate monitoring of Iranian nuclear activities, the time Iran would need to break out of the nuclear Non-Proliferation Treaty (NPT), if it chose to do so, is shrinking.
 - o With UN Security Council sanctions in place and unilateral sanctions escalating, Iran is paying an increasingly steep economic and diplomatic price for its defiance of the international community.

- o Israel, the region's only nuclear weapons state, continues to threaten a military attack unless Iran accepts strict limits on its nuclear activities before entering a "zone of immunity" from such attacks.
- o Prodded by Israel and the U.S. Congress in an election year, the Obama Administration has painted a bright red line across any Iranian move to actually build a bomb.
- With no decision yet in Tehran on building nuclear weapons and no Iranian capability to quickly achieve an operational nuclear arsenal, there is still time for a negotiated solution but the time is limited.
- If both war and Iranian nuclear weapons are to be prevented, the parties will have to compromise and concentrate initially on addressing the most urgent issue

 stopping and reversing the production and stockpiling of 20 percent-enriched uranium.
 - o Realism rather than maximalism will need to be the hallmark of positions advanced in order to assure progress.

Why talk now?

The standoff between Iran and the international community has lasted for years, with only occasional brightening of the dark clouds hanging over prospects for resolving differences between the sides. In spite of the potential rewards for achieving a negotiated outcome, neither side has felt much of a need to compromise its maximalist position.

Although the declared positions of the sides are not very far apart, mutual suspicions run deep. The six powers tend to believe that Iran either has the intention to use its nuclear infrastructure to develop, build, and deploy weapons, or that, at a minimum, it wishes to maintain an ability to do so quickly, breaking out of its obligations under the nuclear Non-Proliferation Treaty (NPT). Tehran tends to believe that the motive of the United States and its European allies is to use the nuclear dispute to weaken Iran and contribute to the current regime's demise.

Both sides are now feeling more acute pressure from the ticking clock. In the case of Tehran, economic pressure is building as a result of four rounds of UN Security Council sanctions, culminating with Resolution 1929, passed in June 2010, as well as unilateral (U.S. and E.U.) sanctions on banking, insurance and the petroleum trade, which have been building for some time and are now being ramped up significantly.

In the case of the six powers (aka "P5+1" or "E3+3"), there is growing concern about Iran's accumulation of low-enriched uranium stockpiles that could put Iran on a fast track to breaking out of the NPT. Now, with additional centrifuges being installed inside the relatively invulnerable mountain fastness of Fordow and with Iran's centrifuges enriching UF $_6$ gas to near 20 percent of the fissile isotope U-235, there is a parallel concern that Israel will feel compelled to launch a preventive strike to set back Iran's timetable as long as possible.

P5+1+1

Israel is the wild card in this already complicated equation – a non-official party to the talks, an extremely close ally of the world's only superpower, an illegitimate state according to Iran's clerical regime, and the Middle East's sole (albeit undeclared) nuclear weapons state. It is Israeli threats of preventive attack that, more than anything else, underscore the urgency



Israel's first German-built submarine 'Dolphin' preparing to dock at Haifa in 1999. Israel now has four submarines in this class, with two more on order, each capable of carrying nuclear-tipped cruise missiles. Israel's concerns about Iran's nuclear weapons potential and its repeated threats of a preventive attack on Iran lurk below the surface of the nuclear talks.

of finding a negotiated solution.

It is widely assumed that an Israeli strike would force the United States to join in – either to assure maximum damage to Iran's nuclear infrastructure or to defend Israel and U.S. military forces from Iranian retaliation and to secure the vital flow of oil through the Persian Gulf. In any event, Tehran is likely to believe Washington was complicit in planning or at least approving any Israeli attack, making it almost inevitable that the United States would suffer the full range of Iranian responses – from terrorism to attacks against U.S. forces in the region.

There is a consensus among experts that a U.S./ Israeli air attack would only delay rather than end the prospect of Iran developing nuclear weapons; most agree that choosing the "military option" would increase Iran's determination to take that path. The full extent of the military, economic, and political consequences of an attack are difficult to measure, but they are certainly likely to include a collapse of the international consensus behind enforcement of the UN Security Council sanctions against Iran.

Casus Belli

An active political debate is underway in the U.S. Congress over the proper meaning of denying Iran a "nuclear capability" and the nature of any "red line" Iran's nuclear program would have to cross to warrant a preventive military attack. Some would argue that the red line has already been crossed considering Iran's ever



EU foreign policy chief Catherine Ashton (L) and chief Iranian nuclear negotiator Saeed Jalili meet in Moscow on June 18, 2012, for the third round of high-level talks on Iran's nuclear program.

shortening potential timeline for breaking out of the NPT to build a bomb.¹ Others identify Iran's completion of centrifuge installation at Fordow as the deadline for military action, thereby creating what Israeli Defense Minister Yehud Barak has called a "zone of immunity,"² because Iran could then freely enhance to weapons grade the 20 percent-enriched uranium currently being produced there. A number of other security experts argue that, however undesirable, an Iranian nuclear weapons capability could be contained and deterred, presenting less of a threat to U.S. security than the consequences of a preventive attack.³ Others argue that a nuclear Iran would balance a nuclear Israel, creating more caution on the part of each and more stability in the region.⁴

Despite the range of views within the U.S. Government and outside, there is an emerging political consensus in the United States that an unambiguous Iranian move to develop, test, and deploy nuclear weapons would trigger a military response. Considering the extremely dire consequences of exercising the military option and the "unacceptable" alternative of allowing Iran to acquire nuclear weapons, the negotiating path would appear to be the only viable

option for satisfactorily resolving Iranian nuclear program issues.

Triple-Header

This realization has helped motivate the six powers to engage with Iran in three consecutive months of high-level talks, moving from Istanbul, to Baghdad, to Moscow. For Iran, the hope of winning relief from ever more stringent sanctions has been an important incentive for returning to the negotiating table.

At the end of lengthy discussions in Moscow during the third round of talks, June 18-19, the sides agreed to convene a subsequent experts meeting in Istanbul on July 3, to be followed by contact between the delegations' deputies. Although delegation heads would subsequently be "directly in touch," the prospects for resuming high-level meetings between the parties are uncertain.

Given the infrequency of serious, direct talks with Tehran on its disputed nuclear program in recent years, the failure to achieve a diplomatic breakthrough in Moscow during the three-month triple-header may be disappointing, but it is hardly surprising. Considering the spurned demands by the Iranian negotiators in Moscow for immediate sanctions relief, and scheduled

imposition of further sanctions by both the United States and the European Union less than two weeks after Moscow, Iran's willingness to continue discussions at any level is noteworthy.

The official characterizations of the talks were cautious, but mostly positive. Catherine Ashton, chief of the six power negotiating team, reported that the sides "had begun to tackle critical issues;" Ali Baqeri, Iran's deputy negotiator, said on June 18 that the talks were "serious" and "constructive;" Saeed Jalili, Iran's Chief negotiator, expressed satisfaction the next day that the sides had agreed to conduct follow-on talks at the experts level. However, Ashton emphasized that "significant gaps between the substance of the two positions" remained.

Pundits, on the other hand, have generally described the results of Moscow in more negative terms – "talks fall short," "talks foundered," a "setback," a "failure," etc. Looking beyond Moscow, future nuclear diplomacy between the parties has been described as "in tatters," "near-collapse," and "on a respirator." The next scheduled meeting of the sides at a technical level has been pejoratively labeled "downblended diplomacy" and "zombie talks."

There is time, but not too much

Iran has still not made a strategic decision to pursue nuclear weapons, according to senior U.S. intelligence and defense officials, and does not yet have the necessary ingredients for breaking out quickly to build an effective nuclear arsenal, but its uranium enrichment capabilities are steadily improving.

The IAEA's May 25 report indicated that Iran continues to make steady progress enriching uranium to 3.5 percent U-235 (from 5,451 kg in February 2012 to 6,197 in May 2012) and to 20 percent U-235 (from 95.4 kg to 145.6 kg). However, Iran has used a large portion of its uranium enriched to 20 percent U-235 – about 43 kg – for fabricating fuel plates for the Tehran Research Reactor (TRR), which effectively leaves its current 20 percent stockpile relatively unchanged, as of May 15. Moreover, Iran has still not installed more advanced centrifuges that could significantly increase its uranium enrichment output.

The meetings over the past three months have featured point-by-point engagement on the key issues, yielding greater clarity on the positions of the sides – a necessary and long overdue step in reaching

FIGURE 1

Iranian Proposals – Right to Enrich, Sanctions Relief, Nuclear and Non-Nuclear Cooperation, Possible Limits on 20% Enrichment

- The right to enrich uranium, coupled with the 'operationalisation' of the Supreme Leader's fatwa against nuclear weapons—possibly in the form of a UN document, in which Iran would promise not to pursue weapons in return for continuing to enrich.
- Relief from sanctions in return for cooperation with the International Atomic Energy Agency (IAEA).
- Nuclear cooperation in the fields of civilian nuclear energy production and nuclear safety.
- Confidence-building measures—possibly involving limits on production of 20% uranium.
- Non-nuclear issues like cooperation on counternarcotics plus regional matters like Syria and Bahrain.

Source: Julian Borger, "'Progress' in Moscow: Iran says no with PowerPoint," The Guardian, June 18, 2012 (http://www.guardian.co.uk/world/julian-borger-global-security-blog/2012/jun/18/iran-russia).

an ultimate resolution of the crisis. But as EU High Representative Catherine Ashton stressed at her June 19 press conference, "there is a very, very long way to go."

Given the distance yet to travel, there is no time to waste. Iran's continuing accumulation of 20 percent enriched uranium will soon surpass any amount needed for the fabrication of fuel plates for the TRR. According to calculations of the Institute for Science and International Security, Iran could have enough of this material for a nuclear weapon by early 2013, if further enriched to weapon-grade in a breakout scenario.¹⁰

This accumulation of surplus UF_6 enriched to 20 percent, particularly from production at Fordow where the Iranians may believe they are shielded from attack, suggests a malign motive. Getting a handle on the stockpile of 20 percent-enriched uranium is thus the most urgent priority by far in managing the Iranian nuclear crisis. To reduce the risk of a nuclear-armed Iran, it is essential to reach a deal soon to prevent that 20 percent-enriched uranium stockpile from growing.

Common Ground?

Based on what is publicly known about the respective proposals put forward by each side, an initial confidence-building deal still appears to be within reach, if both sides are determined and creative. None of the five reported Iranian proposals (see figure 1) represent non-starters for the six powers. At least three provide a basis for further bargaining:

- Iran's reported proposal for "operationalizing" the Supreme Leader's fatwa against nuclear weapons appears to be a direct response to the urging of U.S. Secretary of State Hillary Rodham Clinton in Norfolk, Virginia April 3.¹¹
- Iran's call for sanctions relief in return for cooperation with the IAEA could even be considered a backwards paraphrase of the UN Security Council promise of sanctions relief if sufficient cooperation is provided. The key is what kind of cooperation and IAEA inspections Iran would agree to allow and when.
- Iran's reported offer to consider limits on enrichment to 20 percent levels is responsive to two of the three U.S. proposals (see figure 2) and provides a basis for an initial confidence-building deal that would address the most urgent proliferation risk.

The third U.S. proposal, shutting down the Fordow facility entirely, would certainly build international confidence about Iran's peaceful intentions and it would be a prudent move for Iran economically if Tehran's intentions are benign. But such a suggestion is insulting to Iran on principle. There is nothing intrinsically unacceptable to the IAEA about a fully monitored facility where centrifuges are limited to 3.5 percent enrichment, even if it is deep underground. That such a facility makes it too difficult for other countries to destroy the centrifuges in a preventive attack is hardly a legitimate or productive argument for the negotiating table.

The task ahead

The task now is to acquire sufficient detail on the proposals that have been made, sort out sequencing issues, and recalibrate positions so that a win-win deal

FIGURE 2

Six Power Proposals – "Stop, Shut, Ship"

Iran must:

- Stop the production of 20 percent enriched uranium.
- Shut down the mountain-based nuclear enrichment facility at Fordow.
- Ship the 20 percent enriched uranium stockpile out of the country.

In exchange, the six powers would:

- Provide fuel elements for the Tehran Research Reactor.
- · Help with nuclear safety.
- · Provide spare parts for civilian airliners.

Source: Julian Borger, "'Progress' in Moscow: Iran says no with PowerPoint," The Guardian, June 18, 2012 (http://www.guardian.co.uk/world/julian-borger-global-security-blog/2012/jun/18/iran-russia

can be achieved at the political level.

The top priority for the six powers must continue to be a deal that halts Iran's accumulation of 20 percent-enriched uranium in exchange for help with fueling the TRR. This would reinforce the principle that Iran has the "right" to enrichment under the NPT, but only in full compliance with safeguards and only for civilian purposes. It could also serve as a basis for a broader deal to limit the size and scope of Iran's overall enrichment program.

A deal to halt enrichment above normal fuel grade (or to assure zero stockpiles above that level) would address the highest priority proliferation problem and provide negotiators with more time to address other key issues.

To help get to "yes," the European Union members among the six powers should offer to formally "suspend" the European oil embargo, and/or offer to ease the restrictions on European shipping insurers covering ships that carry Iranian oil to buyers around the world. The Obama Administration, in turn, should encourage the Europeans in this suspension and be generous in the application of temporary waivers,

allowing dependent countries to continue importing Iranian oil without risking access to the U.S. financial system. Although the oil trade might not register any dramatic shift in the trends already established, the political signal conveyed would be loud and clear.

halt would be beneficial and very welcome, but it is not necessary to prevent a nuclear-armed Iran, and it is not realistic given the strong support for enrichment across the political spectrum in Iran. The United States and its negotiating partners have

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Gaining control of Iranian enrichment above 5 percent will not, in and of itself, restore Iran to good standing as an NPT Member state. Suspicions regarding the possible military dimensions of Iran's past nuclear activities must be addressed and alleviated. Tehran must undertake to fulfill all aspects of its IAEA safeguards obligations, including the Subsidiary Arrangements, and commit to the Additional Protocol and any other measures needed to restore full confidence.

Ongoing construction of the Arak heavy water reactor, which could eventually offer Iran a plutonium path for producing fissile material, will have to be abandoned. But heading off the 20 percent threat will facilitate progress on these other issues and open up possibilities for greater international cooperation with Iran's nuclear industry.

Facing Realities

It is high time that the two sides get down to business and be realistic about what the other side will be willing to accept. It is folly to preserve such concessions for the endgame if doing so prevents the endgame from ever being entered.

Ditch Zero Enrichment. In Moscow, Iran's negotiators once again made it clear that they will not compromise in any way Iran's so-called "inalienable right" to enrich uranium under Article IV of the NPT. Meanwhile back in Washington, some U.S. politicians insist that the goal should be to prevent any enrichment activity inside Iran. Neither position is realistic.

Agreement to a permanent uranium-enrichment

correctly pointed out that under the NPT, the right to enrichment is conditional; requiring members to strictly comply with their IAEA safeguards obligations.

The Obama administration has explicitly acknowledged Iran's right, having responded to the international community's concerns about past nuclear weapons-related experiments, to enrich uranium under IAEA inspections in the future. This has to be stated more clearly and emphatically by the six powers to deprive Iran of its principal excuse for inaction.

Tying enrichment amounts and levels to the actual needs of Iran's peaceful nuclear pursuits, combined with more extensive IAEA safeguards, could sufficiently guard against a nuclear-armed Iran.

Set Aside Preventive War. Some critics of the diplomatic option complain that further negotiations with Iran only allow Iran to 'buy time' for nefarious nuclear pursuits and that the United States should therefore declare talks a failure and prepare for preventive war. Such thinking is naïve, dangerous, and would put the country on a collision course with international law.

The reality is that international and national sanctions will remain in place or be intensified until Iran takes the steps necessary to provide confidence it is not pursuing nuclear weapons. Ongoing talks neither accelerate nor retard Iran's enrichment program. But without a deal to curb Iran's nuclear pursuits, Iran's capabilities will only grow over time.

Nonproliferation and military experts agree that the military options so blithely advocated would be bloody,



Iran acknowledged to the IAEA a deep underground uranium enrichment facility at Fordow near Qom in September 2009, after it was identified by foreign intelligence services. Iran subsequently moved all of its 20 percent enrichment activities to this mountain location, which can ultimately accommodate 3,000 centrifuges.

ineffective, and counterproductive. Air strikes on Iran's facilities would set back Iran's program for no more than a couple of years, convince its leaders to pursue nuclear weapons, and lead to disastrous economic and security consequences – not just for Iran as the target of the attack, but for the perpetrators and the rest of the world as well.

Accept Intrusive IAEA Inspections. For its part, Iran must bite the bullet and cooperate fully with the International Atomic Energy Agency (IAEA) so that inspectors can determine that past weapons-related experiments have been discontinued. IAEA Director General Yukiya Amano reported in May from Tehran that a structured approach for resolving outstanding concerns was close at hand. But IAEA comments following a June 8 meeting between Deputy IAEA Director General Herman Nackaerts and Iranian IAEA Representative Ali Asghar Soltanieh suggested backsliding from Iran's previous position. In order for

the books to be closed on the outstanding issues with regard to Iran's nuclear program, there will have to be a positive nod on full cooperation with the IAEA from the political level in Tehran.

Withholding Iran's designs for future nuclear facilities or seeking IAEA promises that the agency will never ask for a return visit to a suspect site are plays in a losing game, particularly in light of Iran's well established record of inadequate disclosure. Although, there are countries on the UN Security Council and the IAEA Board of Governors who are inclined to protect Iran against agency overreach, past Iranian deceit and oduracy has even alienated many of Tehran's natural allies. If Iran wants to restore the full rights it seeks in the nuclear arena, it would be wiser to take cues from the behavior of Turkey or Brazil than from that of North Korea.

Conclusion

Graham Allison, Director of Harvard University's

Belfer Center for Science and International Affairs, has described the confrontation between Iran and the United States as "a Cuban missile crisis in slow motion...moving, seemingly inexorably, toward a showdown in which the U.S. president will be forced to choose between ordering a military attack and acquiescing to a nuclear-armed Iran." Allison advocates a "Kennedyesque third option...keeping Iran as far away from a bomb as possible for as long as possible." 12

The three rounds of nuclear negotiations with Iran just completed may mark the beginning of an effort to find such a third option, but they have so far left the participants frustrated. The centrifuges are still spinning; the stockpiles building, the sanctions noose tightening; and the road ahead uncertain. Yet these talks represent the largest step toward a solution to the Iranian nuclear crisis in nearly seven years. With perseverance from the parties, the ongoing talks can mark the end of the beginning rather than the beginning of the end of chances for ultimate resolution.

ENDNOTES

- 1. See, for example: Jamie Fly, Matthew Kroenig, "On Iran, it's time for Obama to set clear lines for military action," *The Washington Post*, May 18, 2012.
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- 3. See, for example: Paul Pillar, "We Can Live with a Nuclear

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- 6. "Iran clarifies proposals in 'constructive' talks in Moscow," *Tehran Times*, June 19, 2012.
- 7. "Any wrong measure by 5+1 group will affect future talks: Iran, *Tehran T*imes, June 20, 2012.
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- 11. AFP, "Hillary Clinton warns nuclear-armed Iran would be 'destabilising'," *The Telegraph*, April 4, 2012.
- 12. Graham Allison, "At 50, the Cuban Missile Crisis as Guide," *The New York Times*, June 15, 2012.