

**INSS Security Challenges of the 21st Century
2008 Conference**

**The Iranian Challenge and Nuclear Threat
The American Options**

Dr. Gary Samore
Director of Studies
Council on Foreign Relations

I'd like to focus most of my remarks on the diplomatic options available to President Obama to prevent Iran from developing a nuclear weapons capability, in terms of the ability to produce large quantities of weapons grade nuclear materials. I'll then conclude by discussing options that are available if this diplomatic strategy fails.

The Status Quo

Let me begin with the situation President Obama will face in January 2009. For the three years, the U.S. has employed a classic 'carrot and stick' diplomatic strategy against Iran's nuclear program. On the stick side, Washington has joined an international coalition (the so called EU3 plus 3 or the P5 plus 1) to impose political pressures and economic sanctions on Tehran to suspend its enrichment program as a condition for beginning multilateral nuclear negotiations. On the carrot side, the US has offered to support substantial assistance to Iran's civil nuclear

program - including guarantees of fuel supply - if Iran agrees to a ten-year moratorium of its enrichment program.

Unfortunately, this strategy has failed. Iran has ignored international pressures and continued its enrichment program. At this point, Iran has mastered the P-1 centrifuge technology that it acquired from Pakistan some 20 years ago and is now embarked on building up its bank of centrifuge machines and stocks of low enriched uranium. Eventually, this will create an option for Iran to produce enough highly enriched uranium quickly enough to support a nuclear weapons program - so called nuclear break out.

In my view, Iran is probably still a few years away from having a credible break out option - in terms of being confident that it could produce sufficient quantities of weapons grade material to support a small nuclear arsenal before any action could be taken to prevent it, but this a matter of political judgment, not technical certainty. In any event, it is clear that time is working to Iran's benefit. Even worse, there is growing sense in the region and more broadly that Iran's nuclear effort is close to unstoppable.

Diplomatic Options

As a result, the Obama administration will be under pressure to reverse this defeatist tendency and take action quickly to change the status quo. Based on statements made by President-elect Obama and his advisors, I think it's likely that the new administration will attempt to some variation on the existing diplomatic strategy - but with bigger carrots and bigger sticks - to convince Iranian leaders to curb their enrichment program in exchange for receiving benefits and avoiding punishments.

There are three reasons why Obama might succeed where Bush has failed. First - and most important - is the collapse in world oil prices, which has made Iran more vulnerable to the threat of economic sanctions and increased public discontent with the economic policies of President Ahmadinejad. Faced with domestic unrest, Tehran might be more willing to make nuclear concessions in exchange for relief from economic sanctions. If nothing else, Iran's economic troubles gives the U.S. and its allies a stronger argument with reluctant countries that sanctions are worth another try and might be successful at \$50 barrel even though they failed at \$150 barrel oil.

Second, the Obama administration will be in a stronger position to credibly offer a genuine improvement in U.S.-Iranian relations if the nuclear issue is resolved. The Bush administration's efforts in this area were weakened by internal disagreements on whether

and how to engage Iran. In contrast, I think the Obama administration will propose to begin direct, unconditional talks with Iran on a broad range of issues as part of an effort to get multinational nuclear talks started. In addition, I expect the U.S. will offer to improve bilateral political and economic relations with Iran - including security assurances - if it agrees to curb its nuclear program. By making these offers public, the U.S. might be able to generate internal pressure on Tehran among those elements of the Iranian public and elite that genuinely want better relations with the U.S.

Third - and most challenging - the Obama administration will need to line up support for much stronger sanctions to pressure Iran to suspend its enrichment program while negotiations take place and to eventually accept serious limits if a nuclear deal can be reached. In contrast to President Bush, Obama's popularity in Europe will give him a stronger political base to appeal to reluctant governments and publics to impose stronger financial and other sanctions beyond those mandated by the Security Council. Getting Russia and China to support stronger UN sanctions will be more difficult because Moscow and Beijing do not share our concern about Iran's nuclear program and have not been willing to jeopardize their bilateral relations with Iran for the sake of stopping its nuclear weapons efforts. Nonetheless, the Obama administration will have a fresh chance to strike a new deal with

Moscow, for example by offering to abandon missile defense in Europe if Russia works with the U.S. to halt Iran's enrichment program.

Obama's international appeal may also give the U.S. a more credible threat to resort to force if diplomacy fails, if the U.S. can demonstrate that Iran has rejected a generous and reasonable offer to resolve the issue. In addition, if the U.S. can sustain an orderly withdraw of forces of Iraq, Tehran may be less confident that a U.S. strike is deterred by the threat of Iranian retaliation against U.S. forces in Iraq.,

If Diplomacy Fails

Even though the Obama administration can play a stronger diplomatic hand, we have to be realistic that stopping Iran at this point will be a difficult challenge. Iran's current leadership seems to believe they are in a strong position to pursue their nuclear ambitions within acceptable risks. Iran's leaders probably value the acquisition of a nuclear weapons capability (which they have been pursuing for 20 years) more than better relations with the U.S. In fact, some of Iran's leaders probably prefer a hostile relationship with the U.S., which allows Iran to mobilize regional opposition to the U.S. and justifies repressive measures at home. Moreover, broadening the agenda of

US-Iranian to include other issues like Iraq, Persian Gulf security, and Palestine may not help a solution because there are limits to how much US can recognize Iran's regional position as part of a nuclear deal.

Under these circumstances, Tehran's natural instincts will be to drag out the negotiations with various diversions and hints of concessions while Iran builds up its enrichment capacity. At some point, the U.S. will probably need to declare a deadline in an offer to force Iran to choose between suspending enrichment or face stronger sanctions. It's important to remember in this regard that the immediate objective of engaging Iran is to restore the suspension of Iran's enrichment program in exchange for a suspension of sanctions. This 'double suspension' would create space for much more complicated and lengthy international negotiations on the nuclear issue and bilateral U.S.-Iranian negotiations on other issues.

If diplomacy fails to halt Iran's enrichment program, the U.S. will be tempted to negotiate a technical solution to accept limited enrichment in Iran, but with technical and political constraints to make it more difficult for Iran to break out. For example, the number of centrifuges could be capped or Iran could be required to export their low enriched uranium abroad for fuel fabrication. Such a technical compromise sounds good on paper,

but I don't think it exist in reality because I see no evidence that Iran is willing to accept meaningful constraints on its enrichment program beyond those required by the NPT. Moreover, any agreement along these lines runs the risk of legitimizing Iran's enrichment program, while putting Iran in a stronger position to renege or cheat on the deal when they think it is safe to do so.

In the end - if diplomacy fails - the U.S. will be left with two very unappealing options. On one hand, the U.S. could revert to a strategy of containment and deterrence, trying to weaken Iran with long term sanctions, slow its nuclear development through interdiction and export controls, and deterring Iran from using nuclear weapons or pursuing more aggressive policies by offering nuclear guarantees and enhanced defense cooperation to American allies in the region. On the other hand, the U.S. could attack Iran's nuclear facilities, in an effort to set back Iran's technical progress and re-set the diplomatic clock.

In choosing between these unappealing options, I think the U.S. will take three factors into consideration:

First, what is the expected utility of a military attack, in terms of how much damage will be inflicted and how long it would take Iran to rebuild? This calculation will need to take into account

the possibility that Iran has clandestine enrichment facilities and the fact that Iran has mastered basic centrifuge technology and has presumably taken precautionary measures to stockpile materials and equipment so that it can rebuild more quickly in the aftermath of an attack.

Second, what are the risks of a military attack, in terms of Iran's expected retaliation? Will Iran be cautious and confine itself to limited retaliation through proxies and covert action or will Iran take steps that lead to a broader conflict, which could include direct attacks on U.S. forces and allies in the region and potentially disrupt oil production and shipping?

Third, what are the risks of not acting? Is it possible to erect barriers to keep Iran below the threshold of actually building nuclear weapons or is it inevitable that Iran will eventually choose to exercise its nuclear option once it is available? If Iran acquires nuclear weapons, how effective can deterrence be to prevent use or transfer of nuclear weapons? What is the risk of unauthorized or accidental use or transfer of nuclear weapons? Can further proliferation in the region be prevented if Iran acquires a nuclear option or actually builds a nuclear arsenal? What means are available to counter Iranian efforts to use its nuclear capabilities to intimidate neighbors and enhance its regional position?

Most of the answers to these questions are unknowable with high confidence, but they are the type of issues that will be taken into consideration if the U.S. administration is forced to choose between trying to manage an Iranian bomb or bombing Iran.

As I've suggested, we may be able to avoid this horrible choice. There's a good case to make that the Obama administration is in a better position than the Bush administration to mount an effective diplomatic strategy to halt or at least delay Iran's enrichment program by offering more attractive inducements and (even more important) threatening more effective punishments.