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NUCLEAR AND EXTENDED DETERRENCE: CHALLENGES AND CONSIDERATIONS

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P R O C E E D I N G S

MR. INDYK: Good morning, ladies and gentleman. I am Martin Indyk, the Director of the Foreign Policy Program at Brookings. I'm delighted to have the opportunity to introduce and moderate our panel of Foreign Policy at Brookings experts who are going to discuss the publication that I hope you all have in your hands which was released today, "U.S. Nuclear and Extended Deterrence: Considerations and Challenges." The principal author of this new paper in our Arms Control Series if Steve Pifer who brought us all together not in an edited volume but in a paper in which all of us contributed our particular areas of expertise and this morning we're going to all again contribute in the discussion in terms of the expertise that we bring to it. I want to thank Steve for doing a great job of steering this effort which is an example of the way in which we can take experts with such diverse experience and knowledge from across our Foreign Policy Program and put them together on a subject of common interest.

U.S. nuclear deterrence and the concept of extended deterrence is a complicated issue, made more so today by the fact that in April 2009 in a very important speech that President Obama made in Prague, he declared the objective of reducing dependence on nuclear weapons with the aim of eventually moving to a world without nuclear weapons. That noble objective is inevitably complicated by that fact that so much of our national security and the national security of our allies in problematic parts of the world, in particular the Middle East and East Asia, their security is dependent on extended deterrence which in turn is dependent on our nuclear strategy.

In addition, in the world we face today in the 21st century, the challenges of nonconventional nonnuclear threats particularly biological warfare threats and more immediately the threat of nuclear weapons in the hands of nonstate actors, i.e., al-

Qaeda-type terrorists, really concentrates the minds of our officials responsible for the defense of the realm and they have elevated it, particularly the latter issue of the challenge of dealing with the threat from nonstate actors with nuclear weapons, to the highest priority in U.S. nuclear strategy and U.S. national security strategy I should say. So it's in that context that the whole question of the future of nuclear deterrence and extended deterrence becomes particularly important and pressing.

There is one other important element in this which is the outlining of President Obama's nuclear posture in the "Nuclear Posture Review" and the outlining of his national security strategy both of which have been unveiled in the last couple of months and both of which have as one of their central concerns the issue of on the one hand how to deal with nuclear-related threats, and on the other hand how to build a safer world in which dependence on nuclear weapons increasingly becomes a thing of the past. So there are a lot of tensions between the objectives that the Obama administration has laid out and a lot of complications in the context of developments around the world, in particular Iran's efforts to acquire nuclear weapons in abrogation of its obligations under the Nonproliferation Treaty and this danger as I said before of nuclear weapons getting into the hands of terrorists.

That's the context in which we want to talk about these issues today. I want to introduce quickly the panelists in the order in which they will speak and then we will have a conversation with you the audience. First I'm going to turn to Steve Pifer. As I said, he is the senior author of this monograph. He is a Senior Fellow in the Center on the United States and Europe in the Foreign Policy Program here at Brookings and the Director of our new Arms Control Initiative of which this event is an important part. Steve is a retired Foreign Service officer and spent more than 25 years in our Foreign Service. His focus was on the former Soviet Union and Europe. He served as Deputy Assistant

Secretary of State in the European and Eurasian Affairs Bureau with responsibilities for Russia and Ukraine. He was our Ambassador to Ukraine from 1998 to 2000 and then he served as Special Assistant and Senior Director for Russia, Ukraine and Eurasia on the National Security Council.

He will be followed by Richard Bush who is also a Senior Fellow and Director of our Center for Northeast Asian Policy Studies. Richard came to Brookings in July 2002 after a distinguished career in public service, first of all on the House Foreign Affairs Committee and its Subcommittee on Asian and Pacific Affairs, and then in July 1995 he became National Intelligence Officer for East Asia and a member of the National Intelligence Council. He then served as the Chairman and Managing Director of the American Institute in Taiwan. For those of you who are not familiar with this special arrangement, that was the mechanism through which the United States government conducted its substantive relations with Taiwan in the absence of diplomatic relations. In other words, Richard was our would-be ambassador to Taiwan if we ever had an ambassador to Taiwan. He is the author of "Untying the Knot," a book on cross-strait political relations, and his latest book, "A War Like No Other: The Truth about China's Challenge to America," was published in 2007.

He will be followed by Ken Pollack, the Director of our Saban Center for Middle East Policy and also is a Senior Fellow in the Foreign Policy Program. Ken like his colleagues here came to us from a distinguished career in public service, first in the CIA and then at the National Security Council where he was Director for Near East and South Asia Affairs. He is the author of several important books on the Middle East including "The Threatening Storm: The Case for Invading Iraq," and the "Persian Puzzle: The Conflict between Iran and America," as well as a number of important monographs

that we have published including "Things Fall Apart" which focused for the I think first time in the public arena on the challenge of dealing with sectarian warfare in Iraq.

Ken will be followed by Mike O'Hanlon, also a Senior Fellow in the Foreign Policy Program and in the 21st Century Defense Initiative, and Mike has recently risen to the esteemed position of Director of Research in Foreign Policy at Brookings. He specializes in U.S. defense strategy, the use of military force and American foreign policy. He's the author of so many books it's not funny, but his most recent ones are "Toughing it Out in Afghanistan" which he wrote with Hassina Sherjan which was just published by the Brookings Press and "The Science of War" which was just recently published by Princeton University Press.

Finally but by no means least, Dr. Vanda Felbab-Brown, who is a Fellow in Foreign Policy and also in the 21st Century Defense Initiative at Brookings where she focuses on South Asia, the Andean region, Mexico and Somalia with a particular focus on counterinsurgency and illicit economies. Vanda's book "Shooting Up: Counterinsurgency in the War on Drugs," has just been published by Brookings and is I think it's fair to say path breaking in the way that it focuses on this much neglected but clearly critical challenge to U.S. national security policy, that is, drugs and illicit economies in counterinsurgencies.

It took me almost as long to introduce everybody as it's going to take to have the discussion and this presents a certain challenge, so what we're going to do is rather than have everybody make long speeches, I'm going to ask them to confine their remarks to 5 minutes each. I'll be asking them an open-ended question and then we'll do some follow-up discussion here before coming to you the audience.

Steve, first up, please talk a little bit about the argument of this paper in broad terms and the specific challenges that this tension between moving toward a world without nuclear arms and the challenges of NATO and Europe in that context.

MR. PIFER: Thank you, Martin. As the administration worked on its "Nuclear Posture Review" which was put out in April, it actually had to grapple with a number of these questions. How do you move to implement the president's vision which is to reduce both the role and the number of nuclear weapons in U.S. security policy while at the same time maintaining an effective extended deterrence and maintaining the reassurance of allies that the U.S. commitment remains as solid as ever?

In the case of Europe, to some extent the nuclear posture took the opportunity to push this down the road and said properly that this should really be an issue that should be taken in NATO channels and that discussion will begin in the fall as NATO begins to debate its new strategy concept. From the American perspective as NATO talks about things like should there be a change in NATO nuclear policy, should there be a change to the number of American nuclear weapons deployed in Europe, from the American point of view it's going to want to see answers to those questions that don't undercut either deterrence or reassurance of allies.

I think as this debate goes forward in Europe, there are really going to be maybe three or four sets of considerations that are going to play out. One is the public and the political consideration. Nuclear weapons have been an issue that has been for the last 50 years largely dormant in Europe, but in the last year or so it's begun to come more and more to the top and you've seen now elder statesmen in Germany, the Netherlands and elsewhere begin to question current NATO policies suggesting that perhaps NATO should make a contribution to nuclear disarmament, perhaps remove American nuclear weapons from Europe and extra things like NATO adopting a policy of

no first use of nuclear weapons which would be a dramatic shift for the alliance from NATO policy over the last 40 years. So that's one consideration.

A second set of considerations is that the security situation in Europe today is dramatically different from what it was during the Cold War. NATO came to rely on nuclear weapons in the 1960s, 1970s and 1980s because it chose not to compete with the Soviet Union and the Warsaw Pact in conventional forces. It instead said we're going to rely on nuclear weapons and the threat of escalation of nuclear conflict to deter any conflict. That's changed. The Warsaw Pact is gone. The Soviet Union Pact has gone. All of the Warsaw Pact members except for one are now members of NATO which has gone from 16 members to 28 members over the last 20 years. If you look at conventional forces, in fact it's now NATO that has the advantage. Three years ago in the CFE data exchange, NATO had more than a 2-to-1 advantage in main battle tanks over Russian and so you have American military commanders saying in fact they can defend NATO now with conventional forces. They really don't see any military utility to nuclear weapon in Europe. They see those weapons largely in political terms. So that's a consideration that will be taken into account.

The third consideration is that the allies are very divided on the questions both of American nuclear weapons in Europe and NATO nuclear policy. Some I think in this camp would be Germany, the Netherlands, Norway and Belgium, really don't see a requirement for nuclear weapons to be deployed in Europe in order for the U.S. extended deterrent to be effective. They say that that deterrent can be provided strategic systems in the United States. And I suspect that as the debate begins in NATO they may be calling for changes in NATO nuclear weapons policy. Other countries particularly in Central Europe and the Baltics are much more cautious on this and are very reluctant to see a change either in NATO policy or a change with withdrawal of removal of American

weapons from Europe and part of that is because they have a very different threat perception. They are worried about Russia. I don't think that concern is really very high in places like Norway or Germany, but in Central Europe particularly in the aftermath of the conflict between Russia and Georgia, a more assertive Russian foreign policy, there is a worry that changing the nuclear equation could be seen as a weakening of the American commitment. So that will play and that kind of debate is going to be I think very important.

The fourth set of considerations will be arms control, and that is that President Obama has said that in the next round of U.S.-Russia negotiations, he wishes to include tactical nuclear weapons. That's going to be an interesting discussion. It's an area where the Russians in fact have a very significant advantage numerically over the United States and it's also going to be interesting because Russia has kind of flipped on this. Russia has basically adopted NATO nuclear policy from the 1960s and 1970s and now sees tactical nuclear weapons as the way that it makes up for its conventional force advantages vis-à-vis NATO but probably more importantly vis-à-vis China. So these are the sorts of considerations that are going to be playing as NATO begins to debate these issues in terms of looking at both NATO nuclear policy and the question of American nuclear weapons in Europe.

If I had to make a prediction, I'd say that American nuclear weapons are going to be gone from Europe by the end of the decade. There are one of three ways that that will happen, and the most preferable I think would be that they would be negotiated away as part of an agreement which would achieve significant reductions in Russian tactical weapons. A second way would be that NATO as a policy decision makes a unilateral gesture but it does it in an organized policy way. The third way which I sometimes fear is going to be the most likely through is that the weapons leave because

of uncoordinated political decisions by national governments, that the political pressures build, countries begin to say there is no point to this and NATO in fact loses the nuclear weapons without getting either credit for a nuclear arms control initiative or a credit in their arms control negotiations. But we'll see how that plays out beginning with the discussion of the strategy concept.

MR. INDYK: Thanks, Steve, and we'll come back to that in a moment. Let's go to East Asia where of course North Korea's activities on the nuclear front have complicated the security environment there, at the same time as China's emergence as a dominating power on the economic front and the spillover impact that that has on its own military capabilities increases the concern of our allies there. I'm going to ask Richard to address the question of how do our allies there view extended deterrence in this new environment?

MR. BUSH: Thank you very much, Martin, and thanks to Steve for showing this effort. You've identified the two countries of concern, China and North Korea. China has been a nuclear power for four-and-a-half decades, North Korea is trying. Each itself regards nuclear weapon as a deterrent against a much more powerful United States and no East Asian country can challenge the United States conventionally. In the eyes of other regional states, China's growing power and North Korea's effort looms larger, so I'd like to focus on four U.S. allies or quasi-allies, Japan, South Korea, Australia and Taiwan, and I would make just four points.

First of all, historically during the Cold War these four actors pursued or considered nuclear programs in response to changes in the regional situation and their changing evaluation of the U.S. commitment. Taiwan and South Korea actually pursued clandestine programs. In Australia, the Gorton administration in 1968 took initial steps to acquire fissile material. Japan studied the option of going nuclear every time it saw a

new external vulnerability. In all cases, these initiatives were aborted either by U.S. pressure or by unilateral decisions of the countries concerned and the benefits of the U.S. alliance were reaffirmed. That's point number one.

Second, within each country today there exist competing points of view on the role of U.S. nuclear power in their own national security. You can call them conservative and progressive groups. Conservatives see extended deterrence as an important part of the solution to their own insecurity and seek a strong U.S. commitment as possible. Progressive like Australia's former Foreign Minister Gareth Evans and the current Japanese Foreign Minister Okada Katsuya believes that nuclear weapons are the problem. Conservatives usually fear abandonment by the United States, progressives fear entrapment.

Third, each country's view of the "Nuclear Posture Reviews" and its declaratory policy on extended deterrence depends on its specific situation but none is very anxious as a result. Australia is an island with strong conventional defenses. The only threat for which it has no adequate defense is an attack from a nuclear weapon state or a state possessing nuclear weapons. At least for Australian defense experts and conservative analysts, nothing in the formulations of the "Nuclear Posture Review" per se would give Australia a reason for concern. South Korea's principal threats are from North Korea and more long term, China. The negative assurance of the "Nuclear Posture Review" doesn't apply to North Korea because it's in violation of its NPT obligation, negative assurances where a nuclear weapon state pledges not to use nuclear weapons against a state without nuclear weapon under certain conditions. So in the "Nuclear Posture Review" the negative assurance that applies to East Asia is that we will not use nuclear weapons against a nonnuclear weapon state that is in violation of its nuclear Nonproliferation Treaty commitments, thus we reserve the right to use nuclear weapons

against North Korea. Japan is in a similar situation. By putting North Korea outside the negative assurance and issuing any pledge that we will only use nuclear weapons against a nuclear attack, we've maintained a declaratory status quo for Japan.

Finally, I'd say that what is important for Asian allies is not the details of declaratory policy, but how their security fits more broadly with U.S. policy. For progressives who fear entrapment in U.S. foreign policy adventures, nothing has changed with this policy change. Among conservatives who do study U.S. declaratory policy carefully, their anxiety on negative security assurances and so on if they exist is really a symptom of a deeper fear of abandonment. That's particularly true in Seoul and Tokyo. I think that there would be value in U.S. officials briefing their South Korean and Japanese counterparts about how extended deterrence would work in detail. That would build confidence. But more important in building confidence has been the across-the-board effort by the Obama administration to consult closely and regularly with Seoul and Tokyo on how to address the continuing challenge of North Korea.

MR. INDYK: Thank you, Richard. Now we jump to the Middle East where as I mentioned Iran of course seems to be hell bent on achieving at least a breakout nuclear capability if not nuclear weapons themselves and this is causing considerable consternation among our allies there. Ken, why don't you address how we can maintain extended deterrence and still reduce our dependence on nuclear weapons at the same time as we seem to have a major proliferation problem in that region.

MR. POLLACK: Thank you, Martin. That of course is the trick and I believe that my intrepid co-author and I did a pretty good job of tackling this in our section of the monograph.

Just very quickly, and I will do it very quickly, I think it is worth pointing out some of the many threats that a nuclear Iran whatever shape that may take presents

for the Middle East in terms of its stability and American interests there. It's important to understand that the problems can arise either from a nuclear Iran behaving in an offense fashion or simply behaving in a defense fashion. One of the useful elements of this entire exercise was to go back through the history of America's experience and the world's experience with nuclear weapons and how often you see the crises that occur being driven ultimately by actions on both sides that each construed to be defensive in nature and intent but that seemed offensive in both senses of the word to whoever it was directed against. So when you talk about Iran and its impact, that is, a nuclear Iran and its impact on the Persian Gulf and the wider Middle East, you can see both of those creating threats and risks to the region.

There is of course what I've call the Pakistan problem which is the fear that once Iran acquires a nuclear weapon it will feel more emboldened to act on the asymmetric plain, being more aggressive in supporting terrorist groups, subversion, insurgencies, et cetera, all the things it already does around the region. But there is also the problem of a bolstered Iranian conventional threat. Iran's conventional forces are not terribly threatening right now and they're not terribly awe inspiring. Their ability to shut down the Strait of Hormuz for instance which is what most people I think, or the greatest fear that people have, is really not terrible significant given the ability of the U.S. Navy to reopen those straits very quickly. But if you suddenly inject into that situation a nuclear Iran, all of a sudden the potential for the United States to be self-deterred creates all kinds of new problems in the region.

There is also what has already been alluded to the Cuban Missile Crisis. Let's remember that the Russians ultimately thought that they were behaving in a very defensive fashion, bolstering deterrence as they saw it by taking actions which the United States saw as being offensive and very threatening, and you could see a similar situation

with the United States and Iran, with Israel and Iran, with a whole variety of other countries in the Middle East and Iran. Then there is also the issue that Martin already alluded to which is the problem of proliferation. There are going to be many countries out there who if Iran crosses the nuclear threshold are going to be begin thinking that they should too. And all of these problems are going to have to be issues that the United States is going to have to address, and as we point out in the monograph, extended deterrence is really the only realistic way to do so. It's not the only element, but it's got to be the core issue.

The first point I'll make is I don't think that this is really about moving American nukes into the region. That doesn't seem necessary and it will probably cause a lot more hardship than anything else, first, just putting them back on the ships would be an enormous issue for the United States and that really isn't necessary. But that said, what it does point to is the importance of maintaining an American conventional military presence in the region. First, one of the things that we've seen over the years is that extended deterrence is mostly the function of the immediate balance of forces. Bad guys tend to see if they can steal a march on you, and so if there is no American military presence in the region, you are more likely to get the Saddam Husseins of the world thinking I can just go into Kuwait because I'll get there before the Americans can get there and then they won't want to fight to get me out. It's a pattern we've seen repeated again and again. Even here it's not so much the numbers of American troops although obviously getting down to a very, very low number would probably be very problematic, but it's more about their presence, about their ability because of their tremendous quality, to deter lots of low-level conventional actions, and then their importance is a trip wire, reminding everyone out there that the United States will become involved if there is military action and ultimately bringing in the threat of America's own nuclear arsenal.

That's why what we tried to do in the monograph was to strike a balance between saying we don't want to lard the region down with too many American military forces because that creates problems too, but there would be a tremendous problem with removing the American military forces altogether because it would terrify our allies. And for the same reason, the idea of building down our nuclear arsenal to zero would be equally problematic. I was with one of the ambassadors of one of our closest Arab allies in the region and he said to me very bluntly, we like the fact that you have nuclear weapons and we won't like it if you try to get rid of them and that's something that we need to keep in mind as well. While the president's goal is a very noble one, those nuclear weapons serve very important real-world goals in the interests of the United States that could be badly jeopardized if we were to eliminate them.

But we went beyond that to look what we can do beyond simply the kind of traditional extended deterrence, keeping a presence in the region and making sure that people know that we will remain engaged. A big one I think is going to be about how we bolster our commitment in other ways to our allies in the region. With some countries this might mean treaty relations although we don't like to do treaties, it might mean extended major non-NATO status toward other countries and finding other ways to simply make it clear to people by using red lines and other declaratory policy that if someone messes with this country or that country, the United States will react. We will engage. We will use everything at our disposal to protect that country. And making that very clear and absolutely incontrovertible could certainly help to ameliorate the various fears.

But then of course there are countries that already feel like they have that status and are afraid that's not going to be enough. Israel in particular falls into that category. Israel has never been willing even despite its friendship with the United States to simply rely on America to defend itself, and there what we're probably going to need to

look at is how we help the Israelis to feel more secure in terms of building up their second-strike nuclear capability and in terms of other ways of helping them with their own security posture so that they feel that they can defend themselves and they feel that the Iranians know that they can defend themselves.

Then finally, what a lot of this also cries out for is thinking hard and then pushing very hard toward building new regional security architectures both in terms of the possibility of new alliance structures or pseudo-alliance structures that are going to help to reassure our allies, but also new organizations, new methodologies, new forms of communication, new fora, possibly even alliances as well, that will simply deal with the problems of crisis management that we could get into especially if we do have not only a nuclear Iran but a nuclear Iran with some kind of an active arsenal. It's worth always keeping in mind that during the Cold War one of the biggest problems that we had was in terms of signaling and communications and it took us a while to figure how to do that properly with the Russians so that we didn't inadvertently escalate beyond where the crisis was actually taking us. With Iran of course that's going to be a lot harder. We actually understood the Russians. We had a pretty good record of communicating with them and of signaling to them. We've got none of that with the Iranians. So looking for a new organization, some of the things that we did in Europe, some of the things that we've done in East Asia and finding ways to bring analogous organizations into the Persian Gulf could go a long way to dealing with the problems of crisis management that will inevitably accrue as well.

MR. INDYK: Thank you, Ken. Mike, in the case of nonnuclear and nonconventional threats particularly chemical warfare and biological warfare, how is the "Nuclear Posture Review" and the approach of the Obama administration going to impact on deterrence against use of those weapons?

MR. O'HANLON: Thanks, Martin, and let me also join in saying thank you to Steve Pifer who not only brought this group together, but I thought did a great job of keeping the focus on some of the big questions on nuclear weapons at a time when the Senate ratification hearings on the new START Treaty may do some of that but also will be focused a lot on technicalities, and I think the new START Treaty is a welcome developed, but it's incremental and Steve really has us focusing on the bigger picture questions. Martin, the one within my purview for this project that I most want to talk about is the biological weapons threat, specifically that's considered by most the more threatening or more threatening of the two types of WMD but nonnuclear concerns that we have in this domain.

The "Nuclear Posture Review" that the Obama administration just put out I thought did a good job of wrestling with this question, but it raises some big issues. For those of you who don't recall exactly what it said, the basic notion is, and Richard Bush hinted at this as well with WMD, we are not going to rely on the American nuclear deterrent against CW or BW threats provided that, and these are important conditions, that we don't see a big leap in biological pathogen lethality in coming years, and provided that countries are in accord with their Nuclear Nonproliferation Treaty obligations, a very interesting caveat, because diplomatically it's trying to get leverage over the Irans and North Koreas of the world, but at a pragmatic or deterrent level it's basically saying maybe nuclear weapons are relevant at some level, otherwise why would we bother to make this distinction and that complicates Mr. Obama's pursuit of global zero. My overall take, and I'll just make really one central here on biological weapons, would be that I agree with the Obama administration's thinking that current level pathogens almost certainly would not necessitate a U.S. nuclear response on the battlefield even if they were employed in the heat of combat, but there is no telling where this technology or the

set of technologies may go in the future. In fact, I think we need to reserve the right to maintain nuclear deterrence against future possible biological weapon threats. I don't want to imply that I'm categorically speaking for everyone in this study group or author team in saying that, but it does wind up being the same point the Obama administration has made. This raises an interesting question about the pursuit of global zero because we can never in any way imagine a world in which the biological pathogen possibility is forever ruled out. I can't see how you could ever do that with any kind of technology existing or imagined. Therefore, if and when one gets to a global zero world, a nuclear-disarmed world, it raises questions about whether you would need to reserve explicitly the right to reconstitute a nuclear arsenal as a deterrent against a possible future biological weapon, and that's really the most interesting question. So my fellow panelists are primarily dealing with the here and now and my section at least from my interpretation has more to do with this future question that's going to be central to the basic debate about whether we can aspire to a nuclear-free world because most people who aspire to that world say the only viable purpose of nuclear weapons is to deter the use of nuclear weapons against us or our allies, and the Obama administration is now on record as saying not quite. There may actually be another purpose for nuclear deterrence especially as biological technologies advance in the future and possible pathogens that could combine the contagious quality of an influenza with the lethal quality of a small pox could hypothetically be created. Can you really afford to rule out the possibility of nuclear deterrence against that kind of threat? It's a central question that's going to be around for as long as this nuclear zero debate continues and that's what we at least try to lay out in the paper, and without taking a particularly strong stand about specific scenarios, we try to highlight this particular aspect of the question both for the here and now and for how the global zero debate may proceed in the future.

MR. INDYK: Thank you, Mike. Finally we go perhaps the most difficult proposition when you look at deterrence which is how do you deter a nonstate actor from using nuclear weapons if they can get their hands on them.

MS. FELBAB-BROWN: Thanks, Martin. Indeed it is a very challenge for our policy including for the Obama administration that has identified the threat of nuclear terrorism as really one of the key security threats to the United States and the world. The reason is that unlike in the case of deterrence of state actors, it is quite possible that the United States will not be able to credibly signal to nonstate actors that the cost of any use of nuclear or radiological weapons clearly and unambiguously outweigh any possible gains. At the same time, some of the most virulent and dangerous groups like al-Qaeda have clearly demonstrated a desire to acquire weapons of mass destruction including nuclear or radiological weapons and actively tried to do so.

Why is it that the basic idea of deterrence that will be a difficult punishment following use does not necessarily hold in the case of nonstate actors? The first problem is that should some sort of weapon be deployed in the U.S., it might not be possible to identify the attacker. Unlike in the case of missiles, it might not be clear where the weapon originated. Equally importantly, the United States may not be able to hold anything of value of the terrorist group to punish. The group might not have territory or there might be issues that the U.S. simply cannot retaliate against. Equally important and linked to this idea that punishment is somehow linked to bad behavior but the refusal to punish is linked to good behavior is the issue that the U.S. might not credibly persuade the group that if behaves within restraints it will then not retaliate. Take the case of al-Qaeda where clearly it is already U.S. policy to incapacitate the group through any means regardless of whether al-Qaeda is acquiring or trying to acquire nuclear weapons or not. So there might be no cost from the perspective of the group to go for the

maximum effect of maximum destruction. Finally, the act of the greatest destruction may be the objective in and of itself, whether to motivate other Salafi groups or to stimulate other political action.

These problems do not equally arise for all terrorist groups. The vast majority of terrorist groups will actually be deterred from contemplating the use of nuclear or other weapons of mass destruction and here we have seen a relatively small number of groups who have either acquired or tried to acquire weapons of mass destruction be they millenarian groups like Aum Shinrikyo or groups like al-Qaeda.

For the groups that really don't have any practical use of the regions, the U.S. can credibly threaten that if the these groups try to participate in a nuclear smuggling network for the purpose of making money such as the FARC in Colombia, the U.S. will then make it its highest priority to completely incapacitate the group. In fact, it can hold some value for the group and it can really threaten to hurt them such as total support for local governments to destroy the group, military intervention, et cetera. So in the case of some terrorist groups, there in fact may be pressure points that the U.S. can identify and threaten to deploy if the group behaves in ways that are undesirable such as participating in a nuclear smuggling network.

But in the case of groups like al-Qaeda or millenarian groups, direct deterrence will fail. Then the U.S. needs to rely on trying to deter other groups in the nuclear smuggling network or other actors. With criminal groups that might participate for profit, and again the policy can be quite similar to the vast majority of terrorist groups, simply to say if you know that you participate in nuclear smuggling for profit, it will be our highest priority to destroy you. I can talk in the Q and A more about criminal groups. It's frequently said that if a group smuggles drugs, it will smuggle humans and it will smuggle nuclear materials, et cetera. That rarely is the case. Most criminal groups do not behave

that way. There are really very few criminal groups that have the capacity to be poly-crime groups and very often these poly-crime groups are not profit maximizers and will be willing to do anything simply for more money, but are really survival maximizers, so there are ways to I think pressure them and build some sort of deterrence even with these groups. The third actor within the nuclear smuggling network is of course states that would need to be the providers of fissile materials or any radiological materials because terrorist groups cannot produce it themselves.

Deterrence is not necessarily easy because the U.S. will once again or any country will once again face the challenge of identifying the original source. Nuclear forensics can help but they are very difficult and very complex and far from foolproof and critically depend on having matching samples. In the absence of that, nuclear forensics will not be able to attribute with any credibility the origin of the nuclear material. The second challenge is a more political aspect of deterrence, and it is even if it's identified that the nuclear material originated say in Pakistan, the level of retaliation that would give the country pause, it would have to be also determined that there was willful complicity. Perhaps negligence would be a sufficient cost for some sort of retaliation, but if the country can say we put up all the safeguards we could and still someone stole it, some rogue element participated in transferring the nuclear material, it will then be hard to retaliate with a full-scale retaliation, and this of course is a club for countries that make deterrence very hard.

In conclusion, deterrence is not the optimal policy to deal with nonstate actors and nuclear weapons. The far more reliable way would be to focus on securing supply and making sure that nuclear material don't leak out, but deterrence is one aspect of a combination of policies that can be deployed. One way to enhance it is really to focus on improving nuclear forensics and perhaps building an international database of

nuclear samples and suggesting to countries who refuse to contribute that they will become prime suspects as enables of terrorist groups should something happen. Finally, to focus on criminal groups and terrorist groups that do not have political gains to be achieved from the use of nuclear materials and indicate to them very strongly that if they participate in nuclear smuggling or don't disclose information on nuclear smuggling that they would be elevated to the highest priority of groups to punish.

MR. INDYK: Thank you. Are your heads spinning yet? I'm just going to go back and ask our panelists a couple of questions to get the conversation going. First of all to Steve, in terms of what you outlined, it seemed to me that there's a basic paradox here, that in terms of our NATO applies in Europe, to many of them, President Obama's aspirations to reduce dependence on nuclear weapons is welcome especially because the threats they faced have been much diminished as you explained. But that very fact weakens our negotiating hand when it comes to trying to get the Russians to depend less on tactical nuclear weapons. So how do you resolve that kind of paradox that in fact we may end up tripping over ourselves our tactical nukes out of Europe but that will make it less possible for us to convince the Russians to give up their tactical nukes?

MR. PIFER: I think this is going to be one of the difficulties with this negotiation with the Russians when this next round gets started presumably after the new START Treaty is ratified, assuming that it is indeed ratified. The Russians actually I think recognize very much that because of the political sensitivities in Europe about nuclear weapons, that gives them leverage. You can go back to the early 1980s when NATO took the dual-track decision to deploy American ground-launched Cruise missiles and Pershing IIs in Europe while trying to negotiate them and really between 1980 and 1983 the Russian effort was not focused on the negotiation, it was focused on going over the

heads of the negotiators to the European public and trying to undo the decision to deploy by turning out large protests. From their perspective it's a perfectly understandable strategy. In that base if they can get NATO basically to back down without having to give anything, it makes perfect sense. I think in this case there will be that tendency to try to also exploit divisions within NATO.

The other issue for the Russians though is going to be that given the importance they now attach to tactical nuclear weapons, they see it in a very different way from 20 to 25 years ago and getting them to loosen that grip is going to be more difficult. I think there are two possible cards that the administration would be able to play in the negotiations. One is although the number of American nuclear weapons in Europe is relatively small, the Russians still would like to see them go home and if in fact NATO can maintain a united position, that is a card that might be usable in achieving some reductions on the Russian part. Perhaps the bigger card is that if you look at the broader negotiation, there is one other thing that the president said that he would like to put on the table in the next round and that is the question of nondeployed strategic warheads. If you look at the reductions that the United States will implement under the new START Treaty if it's ratified, a good number of those reductions are going to be simply made by taking warheads off of existing missiles. We'll keep the missiles in the force but the warheads will go and be stored somewhere and that gives us the capability at some point to actually put those warheads back on were the treaty to break down. I would have to imagine that the Russians probably don't like that breakout capability and the way the reductions are going to be implemented, that will be an area of American advantage. So there may be some possibilities with the Russians to trade limits on nondeployed strategic warheads which would reduce an area of American advantage in return for the Russians to look for reductions in their tactical nuclear forces, but I suspect the Russians

will first try to do some other political gestures to see if they can't force U.S. nuclear weapons out of Europe without going down the negotiating route.

MR. INDYK: Thanks. This is a question for Ken and Richard because in East Asia and in the Middle East we have allies in East Asia that have long depended on extended deterrence, and in the Middle East we want them now to depend on extended deterrence in order to try to prevent a nuclear arms race from breaking out in the Middle East. But in both cases, extended deterrence depends upon the credibility of America's commitment and that credibility it seems to me is undermined by our inability to deal with the proliferating threat from North Korea on the one hand and from Iran on the other. So how does the United States deal with that challenge that we on the one hand say that we are committed to their defense but we seem unable to be able actually to effect the developments that are critically important to their security environment?

MR. BUSH: Let me make sure. Do you mean North Korea's proliferation in the sense of North Korea's acquisition? I think acquisition is the only thing that matters. For South Korea and Japan, obviously proliferation some place else is important, but their top priority is making sure that the U.S. addresses the issue of regional instability.

The effort diplomatically to get North Korea to give up its nuclear weapons has been a tough slog and it has failed so far and it may fail permanently, but I think that the way the Obama administration has been working in the last year and a half has actually built up confidence in South Korea and Japan because of our willingness to consult and make this a three-way team effort. It may be that China gets more blame for not reaching a diplomatic solution than the United States does because China has not exercised the leverage that everybody knows it has on North Korea.

MR. POLLACK: I think that's a great point, Martin, and I think that you're right that if the Iranians are allowed to cross the nuclear threshold in whatever format that means, it's going to be a blow to America prestige in the Middle East and I think that our allies are going to start questioning both our commitment, but just as importantly as you're suggesting, our ability to effect important security issues for them.

I think that there are at least three things that we ought to think about as being important in either minimizing the damage or restoring those important elements. The first is to make sure that if Iran ever does cross that threshold that it does so having taken as much damage as is possible to imagine, that Iran needs to be seen as having withstood a tremendous amount of America and international pressure, having suffered greatly from sanctions from international isolation and passing that gateway effectively the way that the North Koreans did, that the harder it is, the more difficult it is for Iran, the less likely it will be that other states will do it and the more likely I think that our regional allies will basically say the Iranians scarified everything to get this and that's not something we're willing to do and the Iranians have been weak in a whole variety of other ways to do it. So I think that's point one.

Point two in my mind goes back to the point that I was making before that we raised in the issue which is the importance of the American conventional presence. Obviously we have to be very careful because American conventional forces can create political problems for the hot governments, not among all of them, but certainly among some of them and so we have to be sensitive to that. But for many and for many of our most important allies, maintaining a clear American conventional presence and maintaining clear American conventional superiority is also still very important to them in terms of their willingness to rely on us and their willingness to believe that we will come to their defense because if they believe that we nevertheless

maintain overwhelming conventional power as well as the ultimate nuclear trump card which will be larger than whatever Iran has for decades to come if not forever, they'll probably take a great deal of refuge in that.

But a third point that occurred to me even as you were asking the question, Martin, is that this may be one of those areas where our democratic system may benefit us because it may be that whichever president is in office when Iran is allowed to cross the nuclear threshold, the blame and the sentiment of American weakness and incapacity may attach to him or conceivably her alone and that once that person passes from office, the Gulf States may actually find that if we get a new, strong leader, and let's remember whatever your feelings for him are or whatever mine are, they loved Ronald Reagan, they loved the first George Bush, they may feel like a new president coming into a new office will restore their faith in that American guarantee.

MR. INDYK: I'm not sure of the political implication of that, but it sounded a little Republicanesque.

MR. POLLACK: I am a registered Democrat. I wish this administration nothing but success.

MR. INDYK: I just want to make clear that we're a nonpartisan think tank here. I want to draw on Ken and Vanda's expertise in South Asia to bring that region into the discussion before we go to the audience. There you have of course al-Qaeda operating and the war on al-Qaeda finds its focus there in terms of a nonstate actor that's seeking to acquire military material or weapons. You have Pakistan which is potentially a failing state with perhaps over 100 nuclear weapons and question marks about the security of its stockpile. And you have a dynamic in the nuclear arena between India and the United States on the one side where India's nuclear program has essentially been accepted by the United States and this is setting an example for Pakistan that is now

insisting that it have a similar understanding with the United States, and China just announced that it's going to going to build two nuclear reactors for Pakistan which we seem to have acquiesced in. So in that context my question really to both of you is does what's happening in South Asia represent a real spoiler for the aspirations of President Obama to move to a world that is less dependent on nuclear weapon?

MS. FELBAB-BROWN: Indeed South Asia is perhaps the most difficult region for a variety of reasons including because nuclear war between India and Pakistan is probably the area that nuclear war is most likely to take place should it take place anywhere and where there are real fundamental challenges to the stability of deterrence between the two countries even without introducing the question of nonstate actors.

With respect to nonstate actors, the challenge of Pakistan is twofold. One is the one that you alluded to, Martin, which is some sort of internal collapse in Pakistan, the disintegration of Pakistan, and as a result of that disintegration, nuclear materials or even weapons themselves falling into the hands of Salafi groups like al-Qaeda but several other groups that operate and are very deeply entrenched in Pakistan. Pakistani government is always very vehement to emphasize that it has put very clear safeguards onto its nuclear capabilities. There can be a question in view of A.Q. Khan, but apart from proliferation that there are enough safeguards built into the system so that unauthorized leakage into the hands of nonstate actors could not take place. The reality is that the Pakistani state is deeply, deeply hollowed out and in many ways it has faced progressive weakening since its inception, and despite what has happened in the political and military over the past year or year and a half, it continues to be deeply structurally challenged and continues to be simply in the mold of putting out fires but really not addressing the root causes that spur the fires. I don't think we have moved beyond that

so I would not find it impossible that some sort of disintegration would take place within a matter of years.

The second challenge with respect to Pakistan is not simply disintegration but increasing radicalization of people both in the military and in the intelligence services and the possible willful transfer of some sort of capability to terrorist groups. And there is of course a big question mark to determine how much of that has taken place. There are very strong debates among experts as to how radicalized the military is having lost a generation of military officers, how radicalized are the intelligence services, I think the verdict is out but I would not be overly sanguine. The difficulty from the U.S. perspective is that the more the U.S. pressures on the issue, the more we raise it, the more the Pakistanis become very afraid that the U.S. has some sort of designs on its nuclear weapons program and the more this encourages hedging and nontransparent in Pakistan. So it's a very delicate balance to exercise enough pressure and do so in a way that doesn't further endanger and strengthen the deep insecurity and suspicion that Pakistan has about its relationship with the U.S.

MR. O'HANLON: Thanks, Martin. I think Vanda was very eloquent and I'm glad she made this points. I'm a little more optimistic though, and I say this aware that Steve Cohen is at the back of the room who probably doesn't agree with me, but I'm a bit more optimistic about the strength of the Pakistani state not in the sense that it's a successful country by economic, demographic or other metrics, but in the sense that I think the state perceives a mortal threat from the Pakistani Taliban and is reasonably well organized and committed to taking that on. That doesn't preclude the possibility of fissuring or fissioning of the state at some future point, but I'm actually more concerned about interstate war between India and Pakistan, a point that both of you also have alluded to and again in the interests of some advanced advertising for Steve Cohen's

great new book on the Indian military, that's something I'm sure we'll be giving more attention to in the coming months here at Brookings. But I certainly concerned about another Mumbai leading to Indian retaliation leading to a cycle that then becomes escalatory and involves potential for nuclear usage and certainly makes both these countries who are aware of this kind of scenario very opposed to the notion of giving up their nuclear weapons, especially Pakistan. So that's where I would heighten my concerns. I'm a little less worried than I might have been a couple of years ago about the ability of the Pakistan state to stave off disintegration, but I remain very worried about the broader security environment and specifically how the possibility of interstate conflict to lead to even nuclear war.

MR. INDYK: Thank you. Let's go to the audience now for your questions or comments. Please wait for the microphone, identify yourself and when you ask your question if you would direct it at one or more of the panelists that would help me a lot too. Charlie?

MR. EBINGER: Charles Ebinger from Brookings. Mike, this may seem a little farfetched, but can you see a situation where we might want to keep a nuclear deterrence against the threat of with a massive cyber attack on the United States, and I'm talking one that brought down our financial system or are major utilities in a big, big way, or even against an ally such as Japan?

MR. O'HANLON: That's a good question to ask. My answer would be, however, I think a fairly strong no because the possibility of this kind of attack which you're already articulating very well and that we're already aware of should be leading us to take remedial actions that limits our exposure. Whether or not they can make the threat small is dubious, but the notion that we would actually have to threaten the use of the most devastating weapon ever devised by main in response to frankly to some extent

our own cavalier attitude toward protecting computer networks strikes me as not consistent with the nature of the threat. It's worthy of debate, by implication maybe you have a somewhat different view or at least are open to other views. I would say pretty categorically this would not be one of the things I would want to keep nuclear weapons for or even the possibility of reconstituting an arsenal once it had been dismantled I wouldn't think of this.

But there are a couple of other big concerns I would have, the possibility of another country developing nuclear weapons or cheating on a global zero treaty, the possibility of an advanced biological threat as previously discussed and finally even the threat of a big conventional military buildup. I would not permanently rule out the possibility that we actually want to have a nuclear deterrent against that, not for any scenarios I can easily put my finger on right now, but for a future that remains hard to predict. So those are the scenarios that would worry me more.

MR. INDYK: Of course, cybersecurity deterrence can work there. It doesn't have to be nuclear deterrence. It can be that cyber deterrence can have an impact there.

MR. HARRIOT: Judd Harriot, documentary filmmaker. The comment was made that if Iran passes a nuclear threshold that would be an enormous blow to U.S. prestige in the region. Does that mean that the military option against Iran would then rise in importance?

MR. POLLACK: I certainly think that whatever administration whether it be an Obama administration or a Palin administration or whatever administration may be when Iran passes that threshold will think hard about the nuclear option. There are always people who are thinking about it. I don't think that that necessarily would be decisive in those calculations. The United States has suffered blows to its prestige in the

Middle East before and we have recovered from them. Obviously that's not something that you want to be cavalier about. You don't want to simply dismiss those issues because unfortunately the states in the region do make calculations based on their perception of our strength and our willingness to do certain things, but it's not the only thing that's going on. It's not the only consideration.

If you're thinking about a military strike against Iran, you're also going to need to think about what will it actually accomplish and then what would the blowback be from Iran, from the region and from the rest of the international community. I've sat on this dais and the one next door on a number of different occasions and have tried to lay out the plusses and minuses for a military option. I still come down on the side that there are much more minuses than plusses. That would certainly be an element of the plus side for it, but I think that's there and we can see it already. Unless something major out there changed, I'd be hard pressed to imagine certainly this administration opting for the military option. I think they've made it pretty clear that that's not where they are now and it's pretty low on their list of options out there generally. So I think that that's a consideration but I don't think that it's likely that that will be determinative.

MR. INDYK: I want to make one comment on what Ken just said that relates to your question. It's that while I think it was accurate to define the Obama administration's approach to this question of Iran crossing the nuclear threshold, last year is one in which force was essentially off the table as an option. I see actually a trend in the other direction this year where in my analysis of where the administration is heading, force today is more on the table than it was before which is not to say that the administration is anywhere near taking a decision to use force preventively against Iran's nuclear program. But if you listen to the president's rhetoric it has changed. He used to say that Iran acquiring nuclear weapons was unacceptable, language which we used in

the case of North Korea and they acquired nuclear devices. He's now saying I am determined to prevent Iran from acquiring nuclear weapons. He has said for some time that it would be a game changer in the Middle East and he's been particularly focused on the potential for a nuclear arms race there. But now precisely as he focuses on the "Nuclear Posture Review," the Nonproliferation Treaty, efforts to strengthen the treaty, the negotiations to reduce nuclear weapons, it's all part of this pillar that he is building which came out very clearly in the national security strategy that has been rolled out that nonproliferation is a fundamental pillar of his approach to the world. It is critical to the architecture of the new multilateral order that he is trying to shape. And if Iran crosses the nuclear threshold, it blows a hole through that whole enterprise and it could well lead to the collapse of the Nonproliferation Treaty in the process as all these countries that are signatories to the Nonproliferation Treaty in the Middle East start to look at acquiring nuclear weapons for themselves. So that whereas I would have said last year for sure that Ken is right that there was a foregone conclusion that this administration would not use force in the circumstances you describe, I don't see it anymore as a foregone conclusion.

MR. RUST: Dean Rust, retired from the State Department and the Arms Control Agency. I don't think it has to blow a whole in the regime and partly I think that because of the extended deterrence issue that we're talking about here today, and I guess my question is primarily for Mr. Pollack, extended deterrence has been identified as a pretty key element in our nonproliferation policy because by extending our own deterrence we hope to deter others from getting their nuclear weapons and become a part of the Nonproliferation Treaty. Extended has been kind of a key part of our nonproliferation policy and I think it's worked pretty well in Northeast Asia and in Europe, but in the Middle East if we're going to do something about strengthening let's say

extended deterrence to some of our allies in the Middle East, do you think it's fair that we do that in the context of insisting that whatever existing obligations they have under the NPT being maintained, and then I wonder how also that fits in with the suggestion that to address Israel's insecurity we try to help them with their second-strike capability?

MR. POLLACK: That's a very good question. I think to a certain extent we are going to want to hold all the countries to their NPT commitments, but I think that will be best done on private and not in public in part because of the issue of Israel and in part because of other countries as well. In the case of Israel there actually is the advantage that Israel is not part of the NPT so if we wanted to we could to the letter of the law and say everybody in the NPT had better obey the NPT and don't ask us about people who aren't in the NPT. But the truth is that that's going to create far more problems than it's worth and I think that a kind of a private campaign where we went to all of these countries and said we understand your considerations. We're willing to work with you. We're willing to talk with you about how we make our extended deterrence more robust, we're willing to talk with you about other ways that we can make you feel more comfortable so that you don't have to go down this path, but, yes, you've got to stick to your NPT commitment in response.

MS. PERLMAN: This is for Ken. Diane Perlman, the Institute of Conflict Analysis and Resolution at George Mason. There seems to be an assumption of the premise that deterrence is the best and only theory and that we need to resort to punitive, coercive measures to pressure parties into Iran, for example. Some of the literature on this shows that deterrence works best if it's accompanied by drastic tension reduction and if you increase tension and pressure that it can trip into a spiral theory with escalation and it could break down and fail and people are more dangerous when they're afraid and insecure and backed into a corner. Ken, I was glad to hear you mention that we also use

conflict management. So I'd like to raise the issue of also using conflict transformation, tension reduction techniques, and there is some talk in the town about alternatives with Iran like reset which I haven't read yet or grand agenda or looking for mutual interests and reversing or deescalating the pressures.

MR. POLLACK: Good points, Diane. Again you know I'm in full agreement with that. I think that we need to be careful. Deterrence needs to be there. It needs to be robust. It needs to be strong. But we do have to be very careful about it not becoming threatening. That was the point that I was making before when I pointed out that many of the worst Cold War crises were caused by both sides taking what they thought to be defensive measures, but they always look offensive to other side. What we did learn over the course of time is that you've got to have these other elements. That's why we talked about crisis management, that's why I'd like to have a new security architecture in the region that would actually include Iran so that we find a way for Iranians to talk about their own security concerns, so that we find ways to discuss with them what's going on, so that we can engage in confidence-building measures and perhaps following the European model move from confidence-building measures eventually to arms-control measures. I think all of that would be a very positive way to handle that kind of a development.

MR. BUSH: I'd comment that in some cases perhaps there's nothing we can do to stop a state from acquiring nuclear weapons. I happen to think under the North Korean regime they've made a strategic decision to keep them and as long as the current leader is in power, we have to deal with the situation as it is rather than what we'd like it to be.

MR. INDYK: But it does to focus on that in terms of its implications for the potential for Iran to acquire nuclear weapons, there are two consequences of that.

The first we've already dealt with which is American credibility which is critical to deterrence, being credible in the eyes we're seeking to deter and those we are seeking to reassure. But there is also this danger that North Korea with nuclear weapons like Pakistan with nuclear weapons and potentially Iran should it get nuclear weapons fields a greater degree of protection to do things like sink a North Korean warship and how do you deal with those subnuclear actions from countries that have acquired nuclear weapons in these circumstances?

MR. BUSH: I would concur with some of the things that Ken said about Iran that, first of all, our conventional presence in the region is very important to deal with the problem but also to maintain confidence and the pattern of our consultation is important. I think in the North Korea case there may come a time that China decides that North Korea with nuclear weapons poses a greater threat to its own security because of this sort of reckless behavior at the subnuclear level and that you can organize multilateral containment against it.

MR. GIBBONS: Dan Gibbons. I'm a consultant. I'd like to address this to Steven. With respect to the broader issue that you dealt with here, do you foresee any dramatic developments with respect to a sort of geographic widening of the security umbrella either institutionally or geopolitically in general?

MR. PIFER: I don't think so in the European case. I think if in fact Iran goes down the course you're talking about, a more formalized extension of the extended deterrent into the Middle East, but I don't think you're going to see a major change in the European case. If anything, I think the possibility in Europe is that you may see perhaps consistent with the "Nuclear Posture Review" is going that there is the possibility that NATO may decide to take some steps back in terms of reducing its reliance in nuclear forces. I think ultimately the key to that is going to be resolving this division I described

between allies where in Central Europe and the Baltic States I think you have a reluctance to see change. But I think that that concern about Russia, it's actually not about nuclear weapons per se, it's more about the broader question of the lack of credibility that some allies feel about Article 5. To be candid, I think that there are people in Warsaw who are not fully confident that if they got into trouble that the German Army would be there. If you could find some way to address that question where in Poland and the Baltic States that they were confident that, yes, NATO is going to be there if we need it, it may reduce the attachment that they now put on nuclear weapons and may make some possible changes in NATO nuclear policy easier to agree upon.

MS. WOLF: I'm Amy Wolf from the Congressional Research Service. My question is for Dr. Pollack and it goes to the issue of credibility, but I have a different perspective on credibility. When we talk about extended deterrence and extended nuclear deterrence and nuclear security guarantees we're talking about telling our allies or our friends that we will come to their defense with all means including our own nuclear weapons if they are attacked or if they are threatened. We have had problems throughout the Cold War of making that a credible promise, and making it a credible promise means making it a credible threat to the bad guy. We had trouble in the Cold War convincing the Germans that we'd trade New York for Bonn. It was the classic how can we threaten to cross the threshold when we're going to be attacked ourselves in return? I'm not sure how I would understand extending nuclear deterrence to the Middle East and we don't make that promise at this point to countries in the Middle East. We make that promise to NATO, South Korea, Japan and Australia, but we don't make that promise to countries in the Middle East. How do we convince them that we would actually follow through, that our vital national security interests, our own national survival, was at stake enough for us to cross the nuclear threshold, an horrific event crossing the

nuclear threshold, on their behalf? How do we convince them, and more important, how do we convince the bad guys that we would do that for them? Because if we don't convince people and deterrence isn't credible then it could fail and then we're in a containment or commitment trap where we have to use nuclear weapons to bolster our credibility and I don't see how we make that work some place where it's not our vital national interest.

MR. POLLACK: You're obviously right that this is going to be the critical issue out there. The first point I'd make is you're right, we don't say explicitly say that we will defend other countries in the Middle East with our nuclear arsenal but implicitly they all believe it. They all believe that we will defend Israel with nuclear weapons and I would suggest that many of them believe that we would defend Saudi Arabia with nuclear weapons. The problem is that the Saudis aren't so sure and that's part of what you're getting at. As I said, that's not the point that I'm getting at there which is that the people in the region do seem to believe it which is part of credibility as well.

The second point, the most important thing that we can do in the Middle East is preserve our conventional superiority and our nuclear escalation dominance as well. To the extent that we can threaten Iran or some other country with damage that they cannot possibly inflict on us is going to inject a great deal of caution. It's certainly true that we may decide that wiping Iran from the face of the map is still not worth whatever damage we suffer to Chicago. That's going to be part of the calculation. But being able to turn Tehran into glass or all of Iran into glass with no expectation that the Iranians can do the same to us will be cautionary for them, something that we saw in the Cold War both when the Russians were inferior to us and also when the Chinese were inferior to the Russians. Those kinds of calculations do come into play. They're not perfect, but they're part of it. As I've also already mentioned, the conventional superiority.

At the end of the day, nuclear blackmail is a very, very hard thing to do. We've never seen it successfully accomplished. Most countries have never even tried it. So the real question mark is can you use your conventional forces to accomplish some limited objective which your nuclear forces then make it impossible for the other side to roll back? That's one of the big issues out there and it's one of the reasons why over the course of the Cold War we learned that maintaining that conventional balance is very, very important. As I suggested earlier, maintaining our conventional superiority in the Gulf is an important element.

The third point, there is also the point about the tripwire which is you're right that countries in the region may fear that we're not willing to lose Chicago to defend Riyadh, but if American soldiers are killed, that is also going to inject caution into the minds of any aggressor. That was part of what we built in Europe and part of what we build in East Asia. We argued endlessly about the value of the tripwire force but it was a tripwire force and fortunately it did succeed in its goals. You're right to bring up the fact that deterrence is not perfect and that deterrence can fail, but what I'm pointing out is that there are things that we can do to make deterrence very robust and that can contribute to deterrence in the Middle East exactly the way that it contributed to deterrence in East Asia and Western Europe.

At the end of the day I'd really prefer that Iran not get nuclear weapons so we don't have to test whether or not deterrence can work in the Middle East the way that it did in Europe and East Asia. But as Richard has already suggested, we may not that that option.

MR. INDYK: I'm going to ask Ken and Richard to comment, but I just can't help but see another paradox here, that is that in the case of Saudi Arabia, the more

that we attempt to reduce our dependence on Saudi oil, the less credible our commitment to their defense will become.

MR. BUSH: Are you on this point?

MR. O'HANLON: On Iran?

MR. BUSH: Go ahead.

MR. O'HANLON: Are you on Iran too?

MR. BUSH: No, I'm on Japan.

MR. O'HANLON: I'll be quick. We'll swing over. Two quick points on Iran. Amy, thank you for your question. In addition to what Ken said I would submit first of all there are options for nuclear targeting that don't involve striking Tehran's population centers. That may not eliminate the possibility of retaliation against Chicago, but if the ultimate deterrent is going to be to overthrow the Iranian regime, our main concern with nuclear weapons may be, A, to show that we're willing to use them and, B, to hit Iran's conventional military forces as a way to reduce their ability to resist the coming counter-invasion. That doesn't again rule out the worry that you raised, but it does suggest this not simply a matter of trading cities one for the other, not that you said that, but the classic slogan implies that.

The second point that I would make is this definitely puts a premium as I think many of us believe on missile defense efforts. The current systems that we have today are not good enough. You're smiling. I don't know if it's in agreement or disagreement. The point is there is no simple answer on any of this. But to the extent that you add complexity into the calculation that any Iranian needs to think through, A, they might get hit back, B, the weapons might not reach their target, C, they're probably going to get overthrown. You have multiple concerns in the Iranian mind before they consider the initial attack that leads to all these things and more of those kinds of doubts

in their minds I think works to our advantage so that I'm a strong supporter not only of these Alaska and California missile defense systems that may not be very good, but of boost-phase systems that have a greater chance of shooting down the missiles shortly after they're launched.

MS. WOLF: It's not just the trading cities-for-cities thing. It's that crossing the nuclear threshold and breaking the 60-year-old nuclear taboo is a huge step to an horrific outcome. Countries may not believe that we would actually do that and that's what affects our credibility. Would they believe we would actually do that if our vital, central national security interests were not at stake?

MR. O'HANLON: And I'm simply saying that it's not a question where you just look for an extreme answer, yes or no. You're right that there is always going to be doubt. There are ways to mitigate the doubt is what I'm trying to say. Sorry to keep you waiting. Sorry to keep you waiting.

MR. BUSH: That's okay. I'm a patient person. I would only point out the perverse effect of sort of thinking by analogy, and the case here is Japan. They read about the difficulties of extended deterrence in Europe during the Cold War and they know about Franz Josef Strauss and Charles de Gaulle and so on, and they sort of transfer that to their own situation and say the United States wouldn't trade Seattle for Tokyo. But they're in a completely strategic situation. They face no conventional threat from anyone and probably won't for two or three decades, but there are some in Japan who have this sort of Cold War Europe mentality and it has the potential for undermining their conviction in our commitment and so requires sort of new techniques to weaken and undermine.

MR. INDYK: Unfortunately we have to end our discussion there, but I think that you have a sense of the complexity of this issue in all of its variety in this

discussion today. We tried to write this paper as a kind of primer, the discussion of how these issues all play out in the current policy environment. Please get a copy of it as you go out the door if you don't have it already and we'll look forward to seeing you at our next discussion. Please join me in thanking the panelists.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012