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REQUIREMENTS FOR A FINAL DEAL

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P R O C E E D I N G S

MS. WITTES: Well, ladies and gentlemen, good morning. Thank you so much for being with us today. I'm Tamara Cofman Wittes. I'm a senior fellow here at Brookings and director of our Saban Center for Middle East Policy and really pleased to do the honors moderating this morning's event launching a fantastic new report by our senior fellow, Robert Einhorn, who is affiliated with our Center for 21st Century Security and the Arms Control and Non-Proliferation Initiative here at Brookings in the foreign policy program.

We're going to have a really special treat this morning, an incredible panel to discuss the nuclear negotiations with Iran and to go through Robert's analysis and the findings of this report. If you haven't yet, I hope you do pick up a copy available in the back and also, of course, online on our website.

What I will do is briefly introduce our three speakers and then get our program underway. They'll make some opening remarks and then we'll have a little bit of moderated discussion before we open it up to all of your questions.

Let me just say that for me, and I think for all of us here at Brookings, having Bob join us last year was an incredible stroke of good luck. Bob is -- of course he was senior advisor -- Special Advisor for Non-Proliferation and Arms Control at the State Department for Secretary Clinton, for whom I also had the honor of working, but Bob is somebody who really brings together incredible expertise on arms control and the technical aspects of arms control with diplomatic acumen and political sensibilities and I think that combination is very well reflected in the report that we're launching this morning.

What Bob's done is taken an issue, the public discussion of which is so heated, and cut through a lot of the politics swirling around this question to look at the core requirements for a workable, viable, diplomatic solution to this issue. And as he'll discuss, he's managed to identify ways in which the P5+1's core needs to gain a degree

of assurance and security about Iran's nuclear program can be satisfied and in ways that, at least in theory, at least on paper, accommodate Iranian needs as well.

So, we will get into all of the details of that, but I think it really is that combination of technical expertise and diplomatic experience that allowed him to put that analysis together.

And to discuss his analysis and findings we are joined by an accomplished diplomat and an accomplished technical expert on nuclear issues. So, first let me introduce Dennis Ross, Ambassador Dennis Ross, counselor and William Davidson Distinguished Fellow at the Washington Institute for Near East Policy.

I know for many of you Dennis is best known for his negotiations on Middle East peace over a long and distinguished career, but he started out as an arms control expert and even a bit of a Sovietologist, and brought that arms control experience with him when he came to the White House in the first term of the Obama Administration to work on Iran, among other issues. So, Dennis, we really look forward to hearing your thoughts.

And we're also very fortunate to be joined this morning by Frank von Hippel, professor of Public and International Affairs at the Woodrow Wilson School at Princeton, who took an early train down this morning to join us.

Frank is an expert in elementary particle theoretical physics, which just getting those words out makes me think I need another cup of coffee, and he is also co-chair of the International Panel on Fissile Materials, somebody with long experience including in the White House on nuclear arms control and non-proliferation issues and we're really grateful, Frank, to have you with us today.

So, without further ado, let me turn the podium over to Bob and look forward to hearing from you about the report. Bob Einhorn.

MR. EINHORN: Tamara, thank you very much and thank all of you for coming. Dennis and Frank, thanks for joining me this morning.

Next week, Iran and the P5+1 countries will meet again in Vienna to try to make progress on a comprehensive nuclear deal. The interim agreement that was reached in Geneva in November took effect January 20th, it's a six-month deal, and according to the IAEA, implementation seems to be going pretty well. And both sides seem intent on reaching a final deal by the time the interim agreement expires, July 20th.

But the differences between the sides is still quite wide and reaching an agreement by July 20 will be quite a challenge. And so as we approach a crucial phase of these negotiations, I think it's important to ask ourselves what the main goal of the agreement ought to be.

Now, some argue that the main goal of an agreement should be to eliminate all together Iran's capability to produce nuclear weapons. That would be ideal if it could be achieved, but in my view, it's no longer achievable. Given Iran's current technical know-how, its hands-on experience in these areas, its financial and material resources it already has, in a certain sense, a nuclear weapons capability.

Even if Iran could be persuaded to dismantle its current nuclear infrastructure all together, including its enrichment facilities, it could still reconstitute its nuclear program; it would just be a matter of time and political will.

So, an agreement can't eliminate Iran's capability to produce nuclear weapons, but a good agreement can deter Iran from making the political decision to exercise that capability and proceed to produce nuclear weapons.

The U.S. intelligence community believes Iran has not yet made that decision to go ahead and produce nuclear weapons. It believes that until 2003, Iran engaged in activities related to the development of a nuclear weapons capability, but in 2003, in the wake of the U.S. invasion of Iraq, Iran halted these weaponization efforts even though it continued with its enrichment and its missile programs.

Since then, the intelligence community believes Iran's nuclear weapons development efforts have been put on hold and remain on hold. While Iran has kept its

nuclear weapons option open, it has continued to defer the decision on whether to produce nuclear weapons, and the intelligence community has held this view consistently ever since.

Now, I believe an agreement could deter Iran's leaders from ever making the decision to acquire nuclear weapons and such an agreement would have three basic requirements. First, it would provide confidence that any steps by Iran to break out of an agreement and move toward nuclear weapons, whether at covert or at declared nuclear facilities, would be detected at the earliest possible time.

Second, it would ensure that the period of time between the initiation of breakout steps and the production of enough fissile material for a single nuclear weapon would be long enough to enable the international community to intervene decisively to stop Iran. And third, largely as a result of actions taken outside an agreement, Iran would get a clear message that any attempt to break out and acquire nuclear weapons would be met with a very firm international response, including the possible use of military force.

Each of these requirements is discussed in detail in the report that I hope each of you will pick up. I'll summarize these requirements very briefly.

First, early detection of breakout. Given Iran's very poor track record of compliance, confidence in an agreement will require robust IAEA monitoring measures. It's very good that Iran has already agreed to accept the IAEA additional protocol under a comprehensive agreement, but to promote confidence that Iran is not engaged in covert activities, it will be important to go well beyond the additional protocol, including in such areas as monitoring of production of centrifuges, of uranium mining and processing, of notifications of Iran's nuclear related imports.

Inspection procedures under an international agreement will have to be intrusive. It's possible to design an inspection mechanism that protects legitimate Iranian interests including through procedures such as shrouding, especially sensitive equipment, while at the same time giving inspectors the access they need, including to

any military installations.

Iran will also, as part of a comprehensive agreement, have to resolve the IAEA's concerns about past activities believed to be related to the design of nuclear weapons by getting a detailed admission from Iran of all such past activities will be very difficult, especially given Iran's repeated assertions that it never had a nuclear weapons program and especially given the Supreme Leader's fatwa indicating that nuclear weapons are against Islam. It's going to be very difficult to get a full and detailed admission regarding all of these activities.

So, the IAEA will therefore have to prioritize its investigation of these past activities. It should seek to ensure that weapons related activities will not be pursued in the future, even if some uncertainty will remain about some past activities.

Second requirement, lengthening the breakout timeline. The longer it takes Iran to break out and produce enough fissile material for a single bomb, the more time the international community will have to intervene to stop them, but how much time is enough? If it were simply a matter of using military force as soon as breakout was detected, then several weeks might be sufficient time.

But the United States and its international partners would probably figure that using force so soon before non-military means of dealing with the problem had been exhausted would lack legitimacy in the eyes of many in the international community and it would undermine international support for maintaining pressure against Iran after a military attack.

So, the U.S. and its partners would probably prefer to go through a series of non-military steps before turning to the use of military force. Such steps could include trying to clarify the meaning of these breakout activities, going to the IAEA board of governors and the UN Security Council to seek remedial action, trying to put diplomatic pressure on Iran to reverse its course, and putting in place some very harsh national sanctions.

But carrying out all of these steps could take a long time, several -- you know, many months, up to a year, perhaps even longer, but the key to remember here is that the objective is to deter Iran and Iran's calculations, when it considers breakout, will depend on several factors and not just the breakout time. If Iran believes that it would be detected early on and it believes that it would pay a very high price as a result, it could be deterred even if the breakout time is sufficient -- is significantly shorter than a year.

Clearly, the longer the breakout time, the better, and that should be the goal of U.S. negotiators to seek a long breakout time. But there's no definite answer to the question of what the minimum breakout time should be. It's going to come down to a political judgment about what combination of factors will serve as an effective deterrent to an Iranian breakout decision.

David Albright of the Institute for Science and International Security has suggested that a timeline of between six and twelve months would be reasonable and he's calculated the constraints on Iran's enrichment capacity that would result in breakout times in this six- to twelve-month range.

According to his analysis, lengthening the breakout time from its current two months to between six and twelve months would require capping Iran's first generation centrifuges at between 2000 and 6000 depending on the enriched uranium stocks that would be permitted at various enrichment levels.

Now, that would require a substantial reduction from current Iranian enrichment capacity. Iran currently has close to 19,000 centrifuges installed, but Iran has so far resisted any reductions in its current enrichment capacity. Indeed, it wants to expand its current capacity substantially under a comprehensive deal.

Now, this difference between the United States and Iran on the size and composition of Iran's enrichment capacity, in my view, is the biggest obstacle today to any comprehensive agreement. If there is to be an agreement, Iran will have to get realistic about the practical needs of its civil nuclear program, specifically about how

much uranium -- how much enriched uranium it must produce indigenously to meet those practical needs.

In reality, Iran's needs to produce enriched uranium are very limited. It already has enough enriched uranium for the Tehran Research Reactor to last many years.

Russia is providing fuel for the Bushehr Power Reactor that it sold Iran. The existing contract calls on Russia to provide fuel for Bushehr I for ten years and Russia is prepared to provide fuel to Iran for the life of that reactor.

Russia and Iran are reportedly negotiating the sale of additional reactors that would also be located at Bushehr, and Russia is more than willing to supply fuel for the lifetime of those reactors as well.

Iran says it wants to design and construct its own nuclear power reactor, but such a reactor is probably many years away, probably longer than the lifetime of the agreement that's now being negotiated, so Iran's only practical need to enrich uranium is to provide fuel for a few research reactors that it tends to build in order to produce medical isotopes and conduct nuclear research.

Research reactors use much less enriched uranium than power reactors, you know, maybe 100 times difference or so. Frank can elaborate on it, but it's a huge difference in the magnitude of enriched uranium consumed by power reactors on the one hand and research reactors. And the key point I want to make is that enriched -- the enriched uranium needs of Iran's planned research reactors can be met under the kind of enrichment limits required by the United States to lengthen breakout time.

In any discussion of Iran's practical needs for enrichment that may be taking place next week in Vienna; I would expect Iranian negotiators to greatly inflate their practical needs for enrichment. They may argue that they have to produce fuel for nuclear power reactors, even those they buy from the Russians. But if the Iranians are really serious about having a civil nuclear program, they may come to realize that they

can serve their civil nuclear goals while at the same time satisfying the international community that they are not insisting on having a rapid breakout capability.

Dealing with the plutonium breakout threat may be somewhat easier than dealing with the enriched uranium breakout threat. Concerns about the plutonium path to nuclear weapons focus on the planned Iraq IR40 reactor, which the Iranians have optimized for the production of plutonium rather than for its declared purpose of producing medical isotopes. Various ideas have been put forward for modifying this Iraq reactor in a way that would greatly reduce its production of plutonium.

One approach is to convert it to a light water moderated research reactor. Another approach that's advanced by Frank's group at Princeton would be to keep it as a heavy water moderated reactor, but to fuel it with enriched uranium rather than natural uranium, and that would greatly reduce its production of plutonium as well.

The head of the Atomic Energy Organization of Iran, Ali Salehi, recently said that he would be prepared to make technical modifications in the Iraq reactor that would reduce western proliferation concerns. What this means is not yet very clear, but it seems that the positions of the sides, at least on the plutonium issue, may be converging.

In addition to ensuring early detection and lengthening the breakout timeline, a third requirement is convincing -- is clearly convincing Iran's leaders that any attempt to breakout and produce nuclear weapons would be met by a strong international response, possibly including the use of military force.

To convey that message, several actions should be taken after the agreement is concluded and outside the agreement, naturally, because you wouldn't expect the Iranians to go along with them. First, the UN Security Council should adopt a resolution stating that in the event of breakout the council would meet urgently to adopt measures necessary to head off a successful breakout.

Second, the U.S. Congress should adopt legislation indicating that if Iran breaks out of the agreement, sanctions that had been lifted would be restored and harsh

additional sanctions would be imposed. Third, the Congress should also take legislative action to give the President prior authorization to use military force in the event of clear evidence that Iran had taken steps to abandon the agreement and was moving toward the production of nuclear weapons, and it would require the President to submit information -- classified information -- to the Congress immediately to indicate what steps would justify the use of military force.

Fourth, and finally, the President should state publicly that while he'd do everything possible to reverse an Iranian breakout decision by non-military means, he'd be prepared to use military force, if necessary, to stop Iran from building a nuclear weapon.

Now, reaching an agreement that meets these three requirements won't be easy. Current positions on key issues in the negotiations are far apart. Both President Obama and President Rouhani of Iran face very strong domestic opposition that will limit their room for maneuver and clearly no agreement that emerges from the current negotiations will be ideal. The Administration will receive a lot of criticism, both at home and from U.S. friends in the Middle East, especially Israel and some Gulf Arab governments. But the test for any agreement is not how it compares with an ideal but unattainable agreement, the true test is how it compares with alternative approaches for dealing with the challenge of Iran's nuclear program.

One alternative is to ratchet up the sanctions until Iran makes major concessions that it has so far been unwilling to make. Another is to use military force. In my view, neither of these alternatives is very promising.

If Iran is intent on having a rapid breakout capability and if it refuses to accept tight limits on its nuclear program and rigorous monitoring measures, we will eventually have no choice but to turn to these alternatives. But before we do, we should make every effort to achieve an agreement that deters Iran from making the decision to produce nuclear weapons by making the pathway toward acquiring nuclear weapons as

detectable, lengthy, and risky as possible.

Thank you.

(Applause)

MS. WITTES: Bob, thank you so much, and I think you can see from Bob's introductory remarks how he takes this goal and these three key requirements and really brings them all the way down to the ground. How do you make this happen in a way that is diplomatically and politically viable?

We look forward now to comments from Dennis Ross and then from Frank, as well, on the diplomatic, political, and technical aspects of this agreement, and then we'll open it up for discussion. Thank you. Dennis.

MR. ROSS: Thank you, Tamara. And I should say its true, Bob and I go back a long ways. On the policy planning staff, when I was heading it in the first Bush Administration, and I was actually a negotiator on START, Bob was my tutor, so when Tamara says I first used to deal with arms control issues, it's true, but you need to know that the person who helped to teach me about those is actually sitting here and I'm now asked to comment on what he's written.

I do want to say, I think that what he's written is quite remarkable. It is a comprehensive approach to how to think about the problem and he does it in a highly analytical way, he deals systematically, logically, he lays out, as you heard, what are basically the requirements for an agreement. He lays out the importance of being able to monitor the kinds of restriction that would be required to ensure that you're able to lengthen the breakout time. He talks about what it takes to deter what would be cheating in the event that you reach the agreement. And, in a sense, he's laying out, as well, why he thinks the approach that he's explaining here is really the best alternative.

And I find myself, I have to say, pretty much in agreement with everything that he has written.

Now, obviously, if I were to stop there I wouldn't be a very good

commentator, so I have to make a few comments on what he has written and I'm going to do that. Some will be in the realm of what I would describe as quibbles, others would be in the realm of what I would describe as sort of amplifying the points that he's made, and I'll probably conclude more with a little bit of what I would describe as more political analysis of the Iranians and how to look at how to effect their choices.

So, let me start with just what amounts to a slight amplification or quibble. Bob made a reference to what's known as the possible military dimensions of the Iranian program and he also talked about the fact that it would be difficult to get the Iranians to admit that they really had a -- what is a weapons program, because after all, the Supreme Leader has issued a fatwa that says nuclear weapons are forbidden and they're a sin against Islam and he notes in here, I should say, as well, that the reason the fatwa, to many, is not that impressive is because if the circumstances change, he can simply issue a new fatwa and say the Islamic republic is under a great threat and therefore you have to have nuclear weapons.

The reason I think this issue of the possible military dimension that the IAEA has been dealing with for a long time and never received satisfactory answers is important is -- and not just because I think it's a question of sort of prioritizing what is important in this regard as it relates to any possible deal, is because there is an Iranian narrative here and the Iranian narrative is that they've always had peaceful intent.

I think it is critical to be able to go through and expose what's been done in the past, not just so that we know what's been done in the past, it's pretty hard to forge an agreement and feel confident that you can count on what you've done if there are certain aspects of the program that remain hidden, and they could relate, as Bob notes, actually, in his paper, to items that they've imported. If there were to be some kind of covert program, you really need to know as much as you can about everything they've done up until now if you're going to be able to satisfy yourself that you really can also detect what could be covert programs as well.

But he explains this. I'm simply highlighting the fact that I think this is an issue that is important, it's important to prioritize it, but it's also important because it's part of an Iranian narrative. The Iranian narrative is, this has been a peaceful program, and the truth is, it has not been a peaceful program.

It's not an accident that the IAEA has not been able to validate that it's a peaceful program and it's important for us to get to the bottom of this, not because we want to impose a price or punish them for this, but because it's important if we're actually going to have a deal, a, for that deal itself, or b, if the deal doesn't take place, it is part of the narrative that we will have that all along they have had a program that wasn't peaceful and that helps to justify some of the steps that we, ourselves, may take.

And that leads into what is first a broader substantive comment, which again is consistent with what he's written, but I want to amplify the point. Bob makes the case that at the end of the day, this is going to be an agreement where they will have -- they will be able to enrich, at least in a limited way. And many say that zero enrichment is much better.

It is true, from the standpoint from non-proliferation, having no enrichment is far better. Every other country in the region is going to say, whatever the Iranians have, we have the same right to. And it would be much better if everybody was getting fuel from the outside and not able to enrich on their own. That would limit the potential for breakout capabilities from a nuclear non-proliferation standpoint, but I agree with Bob that that is desirable, but unattainable.

But I would add another point as to why approaching this from the standpoint of limited enrichment also makes sense. And this I put in the realm of the diplomacy and our broader objectives. If we were to put on the table a proposal only of zero enrichment, it would be very difficult to persuade the rest of the international community that this was a credible proposal, that we really had done everything we could. In the event that diplomacy fails, we have to demonstrate unmistakably that what

we offered was credible and that the world will see what we offered was credible, and if the Iranians turn it down, they turn it down because the truth is, they don't want a civil nuclear program. They're not satisfied with only having peaceful nuclear energy. They want the capability to have nuclear weapons, and that would be the only reason, at the end of the day, that in effect they turn down a proposal that offers them at least a limited enrichment approach.

We would need, in other words, not only for our own credibility in the event that diplomacy fails; we need to be in a position that we can unmask the Iranians if diplomacy fails. So, my first broad point, substantively, is not only do I agree with you that limited enrichment is the way to go, but there is a deeper, larger diplomatic reason, I think, for us to be able to use that or at least embed that in our proposals.

A second point. Bob appropriately talks about the key here is to lengthen the period of time of breakout and he identifies David Albright's timeframe of six to twelve months. And here I put that in the area of desirable, but I would like to -- I would feel more comfortable if we had a minimum of twelve months. I would like more, but I would like a minimum of twelve months and the reason is in part related to what you said, Bob, you described the process we will go through to legitimize a response in the event that they are cheating, and it is almost inevitable -- and here I say it from the perspective of someone who has dealt with arms control in the past -- when there are violations when you have an agreement, the overriding impulse is to try to, on the part of many, is to explain away the violation, to explain away the anomaly, to somehow say, well, you know, let's not put the whole edifice, the whole structure of this agreement at risk because it looks like they're doing something that isn't quite consistent with what their obligations are.

It is almost a given, given past Iranian behavior, that the potential for them to cheat is quite high. I want to stretch out the amount of time, because I think another way to affect the Iranians and add to the sense of deterrence, is for the time to

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be longer, for them to know that it's going to be very difficult for them to cheat because their program is set back far enough that the steps they would have to take to get to a breakout are, in a sense, so many that it becomes too daunting and so the greater the reduction or roll back of their program, the greater the likelihood that it will be -- that their temptation to cheat, I think, goes down. It isn't just a function of the consequences, which I'm going to get to in a second; it is also a function of how much they would actually have to do, and the more that we can roll back the program, the better.

Now, the obvious answer to what I've just said is, well, it's going to be hard to reach that kind of an agreement. Bob has already said, appropriately, that, you know, it's going to be difficult as it is to reach an agreement and if I'm suggesting that the nature of the roll back should be even more beyond the mix of capabilities they have to have is numbers and quality of centrifuges and the accumulated enriched material that they have in country, rolling that even farther back than the six to twelve months we'd require to say at least twelve months is going to be a very difficult thing to do.

And I want to get to how I think you might be able to do that in a second, but I want to first deal with what is really an issue that he raises and he deals with quite effectively, which is, if you're going to deter the Iranians from cheating, then the consequences of cheating have to be very clear and he -- here Bob talks about building in an understanding that there will be a Security Council resolution in the event that they cheat, that you go to the IAEA very quickly and ratchet this up, that the Congress would, in a sense, not only authorize new sanctions, but would actually give author writing language for the President to be prepared to use force, for the President to make a statement that declares his intent in the event of cheating. I would add one other point. I think that it makes sense, as well, to actually work out separately with the EU, with the European parties, because we're not going to get this with the Russians, certainly, these days, but I think with the Europeans there also ought to be an agreement that is very explicit in this regard.

And here's where I'll say that there's a sense of irony and it relates to my point of how you get to the agreement. The clearer we are on the consequences in the event that there's an agreement and there's cheating, the irony is, the more we do in that regard right now, in my mind, the greater the likelihood we'll actually produce an agreement in the first place.

Because the Iranians -- the key to producing this agreement is not going to be inducing the Iranians into arriving at an agreement. I'm not saying here that there's no role for inducements. I think there may be. Bob talks about what some of the inducements may be, you know, providing them light water reactors, training Iranians in their nuclear industry in design and construction of power reactors and the like. There is a role for inducements, but not to reach an agreement.

The role for inducements will be a rationalization within the Iranian system. It won't be decisive in terms of producing an agreement. It may help Rouhani, it may help Zarif, but only after the Supreme Leader and the Revolutionary Guard have come to the conclusion that they need to do the deal.

They won't reach the conclusion they need to do the deal because of inducements. They want to have either nuclear weapons or nuclear weapons capability because they want the shadow that casts over the region. It gives them a kind of leverage in the region. They think they're entitled to it, they would like regional hegemony, they want it for what I'll say are offensive reasons I've just described, they want it for defensive reasons as well. They see a threatening universe around them. I mean, their own behavior may contribute to what they see as a perceived threat, but the reality is, they want this capability.

So, they're not going to be induced into giving it up any more than they were induced into coming to the table right now. The key, given the lineup there, you have a -- you know, the elite has been divided for a long time. Those who want to reach an agreement may share this broader objective of wanting the nuclear weapons

capabilities, but they've come to the conclusion that from a pragmatic standpoint, Iran's needs, in terms of ending isolation, in terms of being connected with the international global economy, are such that for the Islamic republic to do well, it has to somehow find a way to end the sanctions.

And the key for them to be successful is to be able to go to the Supreme Leader and demonstrate unmistakably what the consequences of not reaching an agreement are, not what the benefits are, what the consequences are.

When you look historically at when the Islamic republic has adjusted their behavior, it's been when the costs were simply too high. You know, Ayatollah Khomeini, after saying that Iran would fight the war with Iraq for 20 years or however long it took, in 1988, when Mousavi, who's still under house arrest, was then the prime minister, came to him and leaders of the Revolutionary Guard came to him and said, we can't keep fighting. He made the decision to end the war they said they would fight for however long it took. It wasn't an opportunity; it was the high cost of not doing it.

The same relates here. The more that the Supreme Leader comes to the conclusion that not only is it likely that the economic costs are going to be intolerable, but also that the failure of diplomacy will, in fact, trigger the use of force against a program that they've invested very heavily in on the one hand and also, as part of their public narrative today, they emphasize how we wouldn't dare to attack them. They've created the impression that they can't be attacked, and the truth is, if it becomes clear that this is going to be the consequence of diplomacy failing, and the irony here is the clearer we are about the consequences of cheating if there's an agreement, the more it reflects what our resolve is, and the clearer our resolve is on this, the more certain they become aware of what the consequences are going to be. And if that is clearer, perhaps than it is today, then I think the chances of reaching an agreement in the first place becomes much better, and that agreement should embody almost everything that Bob has laid out in this paper.

MS. WITTES: Thank you, Dennis.

(Applause)

MR. VON HIPPEL: I think that Bob invited me here because he wanted a quantitative back up in case there were questions about his numbers that he's used on breakout and Iran's requirements (inaudible) enriched uranium, and I am willing to and would be happy to be the first responder to these questions.

And, in fact, on the Iraq reactor, in the table where Bob's report was available, there was also an article that will appear officially tomorrow, but it is in prepublication form today, on the breakout issue for the Iraq reactor and how to deal with it, and to get the timeline for breakout for the Iraq reactor to at least a year.

I'd like to, in these opening remarks, I'd like to make a few additional comments, amplifications on what Bob has recommended in his really very excellent report. First point has to do with the monitoring of Iran's centrifuge production. This would be a first -- this is not part of traditional safeguards, and it would be a first for the IAEA and it's very important because as the U.S. intelligence community has been saying, a sneak out is more likely than a breakout with regard to Iran deciding to go for weapons.

And a sneak out would involve the production of extra centrifuges and installing them in an undeclared location, as appears to have been the case with Iran's Fordow site, which was discovered by intelligence.

It's, therefore, very important that the agreed plan of action provides IAEA with inspection rights at Iran's centrifuge assembly workshops and rotor production facilities and the storage facilities, and it will be important to understand how much confidence IAEA has that it will be able -- and will be able to develop, that it really can keep track of these components and the centrifuges to the accuracy required.

The second point has to do with the security of Iran's supply of low enriched uranium for power reactors. Bob argues that for the foreseeable future, Iran

should be -- dependent on imported fuel, you know, right now it does, from Russia. In the past, Iran has argued that it can't trust the rest of the world not to cut it off, but import vulnerability on a key fuel is not uniquely an Iranian problem. We have the problem. Europe has that problem. Japan has that problem ever since the Arab oil embargo. And our answer has been to -- a strategic stockpile that amount to much less than a year of imports.

Nuclear fuel is the -- on an energy equivalent basis, is about a tenth of the cost of oil and it would be easy for Iran to stockpile multiple years of supply. It would be a tradeoff with regard to the possibility that Iran could convert the fuel into uranium hexafluoride and use it as feed for its enrichment complex, but that would take a considerable amount of time and I don't think it would make the breakout problem much more serious.

The third point has to do, as Bob suggests in a number of places, that down the road when Iran has built additional nuclear power capacity and the international community has developed more confidence in the peaceful intentions of its nuclear program, that Iran's claim for a larger enrichment capacity could become more acceptable, but he suggests that the capacity be under multinational control and outside of Iran.

I think this is a very important proposal and deserves more development. Would it be acceptable, for example, for Iran to produce centrifuges for a multinational facility but the actual enrichment capacity would be in Kuwait? I mean, that might be -- that's one possibility. I haven't developed my favorite proposal yet, but I want to work on that.

More generally, as we all know, Iran's enrichment program is symptomatic of a more general problem with the current non-proliferation regime. Centrifuge enrichment plants are inherently dual purpose and as long as it's considered legitimate for countries to build them and control them nationally, the potential for nuclear

weapons breakouts will spread to more and more countries.

Since 1977, U.S. has led the charge internationally against the spread of spent fuel reprocessing, that is plutonium separation, and it has been quite successful. Today there's only one country, Japan, one non-weapon state, Japan, which reprocesses.

It's time for the U.S. to do the same for the spread of international enrichment plants, and not just in Iran. Since 1982, in reprocessing, U.S. led by example as well as pressure by foregoing reprocessing domestically. It was easy because it doesn't make any sense economically, but it took a long time for us to persuade most other countries that that was the case.

The U.S. is in a fortuitous position today because, in fact, the U.S. does not have a national enrichment plant. The only operating commercial enrichment going on in the United States today is under control of a multinational, which is Urenco.

Finally, I'd like to note that Bob's political analysis is correctly framed on the basis that we're dealing not only with a confrontation and negotiation between Washington and Tehran, but with parallel confrontations and negotiations within Washington and within Tehran. And in these negotiations, those who are working for a diplomatic solution have to be aware of the domestic political constraints of their counterparts on the other side and it's clear that Bob is very aware of this and this is why a compromise will be necessary on both sides. Thank you.

(Applause)

MS. WITTES: Thank you, Frank. Well, folks, as we get our discussion underway, let me first say, for those of you who are standing in the back, there are at least a half dozen seats down in front, so please feel free to come on down the center aisle and find yourselves a seat. If you have an empty seat next to you maybe raise your hand so that folks can see.

Okay, so please feel free to find a seat. Thank you and I hear this is on,

so I can at least begin our discussion while my colleagues are getting their lapel mics situated.

I think the point that Frank ended on is perhaps a good one for us to begin with because so much of the discussion here in Washington has been not just about the international negotiations, but the constrained domestic politics, and a lot of the debate is about our own domestic politics, how much space we have to make this deal, and how much space the Iranians have, as Dennis was suggesting, to make this deal.

And so, Bob, I have to begin by saying, it sounds very daunting. Part of what makes it so daunting is those political constraints combined with time pressure on both sides. We have a six-month interim agreement on which the clock is ticking and the clock is ticking not only because those domestic opponents are waiting to pounce at the end of the six months, but also because of the threat that over time, if this drags on, if the negotiations become extended beyond six months, that the architecture of coercive diplomacy, the sanctions coalition that's been put into place that's been so important to getting us to this point, perhaps starts to degrade.

So, I wonder if you can give us your sense of what happens if we get to July 20th and we're not close to a deal?

MR. EINHORN: Well, the interim agreement expressly provides for an extension by mutual consent. So, after the six months there could be another six months, but both sides -- there's also a requirement that a final deal be concluded in less than twelve months. So, there's a possibility to extent, but both sides are under very strong pressures to conclude by July 20th.

The American critics say that the interim deal is in Iran's favor, so we have to end this after six months. The Iranian critics say the interim deal is in America's favor, so we have to get this done in six months. So, there's strong pressures on both the Rouhani and Obama administrations to get this done after six months, but as you pointed out, this is going to be a daunting, daunting challenge. And an extension

agreement for another three months or six months is going to be very, very hard.

You know, the interim agreement generated lots of domestic criticism and both administrations have said, we're going to have to do better next time. And so, the bar for an extended agreement is going to be very, very high, perhaps as high as a comprehensive agreement. So, I think it's going to be very, very hard and that's one reason why both the U.S. and Iran seem genuinely determined to get this done in six months.

MS. WITTES: I wonder, Bob, if you can give us a sense -- I think sitting where we are inside the beltway, we understand the critics here who say the interim agreement favors the Iranians. Can you explain the Iranian view that the interim agreement favors the P5+1?

MR. EINHORN: Well, you know, American critics say that the sanctions-easing steps under the interim deal are going to lead to an unraveling of the sanctions and even though they're quite modest, this is going to open the floodgates.

From the Iranian critics' perspective, they believe they've gotten very little benefit from this. And I think that's their main problem with this deal, that, you know, actually companies and governments all over the world are very reluctant to do business with Iran until they find out whether the sanctions will be lifted and not just a few of them, but all of them, and that's, I think -- you know, that's their principle motivation for going beyond an interim deal to a final deal. They have plenty of incentive to reach a final deal.

MS. WITTES: Thanks. You know, Dennis, one of the things that really struck me in Bob's report is in laying out these three components, swift and early detection, lengthening breakout time, and sure and painful response to breakout, one of the points you make, Bob, is that these things are interactive so if you don't get your ideal on one, strengthening the others can compensate or you might be able to accept a greater compromise on one if you can strengthen the others.

From the perspective of our regional allies with whom you worked on this

issue a great deal while you were in the White House, they're very skeptical on early detection, they're very skeptical on lengthening breakout time.

Is it possible that doing more on the swift and sure response would ease the path with them on these other two?

MR. ROSS: You know, I think there's two ways to think about this, one is what you just raised. I mean, the more they would become convinced that we would do something for real in response, the more they would be less worried about the implications of this. And I think we have to draw a distinction between the Israelis on the one hand and the Gulf Arabs, in particular, on the other.

The Israelis look at this -- at the Iranian nuclear program as embodying an existential threat to Israel. The Gulf States view it as an instrument in what they see as an existential struggle on the ground. And so, from their standpoint, if they were to see us taking steps now on the ground -- I mean, I wrote a piece where I said had we, rather than the Israelis, been the one to intercept the Iranian ship that was headed towards Gaza, that would have had a huge effect on them psychologically because it would have sent the message that we're not turning a blind eye to Iranian misbehavior in the region, because in their eyes we're so determined to reach a nuclear agreement we're prepared, basically, to forego everything else.

So, part of this image that we're prepared to, in a sense, have a kind of *grande détente* with Iran at their expense is what drives their perceptions. The more they are convinced that we are prepared to look at Iranian behavior across the board or including within this deal itself, and that we are preparing ourselves to deal with any contingency in the event that there's an agreement but they cheat, the better it is.

What I was trying to suggest is there's an irony here, because I actually think that improves the chances of getting a deal at all, but it also could reassure those who are so convinced that we're doing something that is -- that represents a great threat to their security.

MR. EINHORN: Can I just add something on the tradeoff point that you raised, Tamara? There really is a tradeoff among these elements. I agree with Dennis. It would be nice to have this breakout timeline, you know, a year and a half, two years, as long as possible. That would be the best outcome.

But we also have to look at this from the Iranian perspective and if they really believe they're going to be detected very soon after their breakout activities, and if they believe that costs will be severe, then it's not going to matter all that much how long the dash to the bomb is going to take them.

So, I think there is a tradeoff and I think when the Administration looks at the deal as a whole, it will look at these tradeoffs. If it's confident that Iran will believe that they will be detected soon and if the steps that we're prepared to take with the EU, and I think the EU is very important, suggesting the Iranians are going to pay a very high price, then perhaps that breakout timeline doesn't have to be as long.

Again, the Administration should negotiate the longest timeline they can, but at the end of the day it's going to be a political judgment about what combination of steps will be sufficient.

MS. WITTES: Thank you. That's a good point. Frank, I have to ask, because I think Dennis put this negotiation so much in the context of coercive diplomacy and deterrence, which has clearly been the U.S. approach and increasingly the international approach so far. You and your comments put it also in the context of a broader global non-proliferation agenda that the United States has been pursuing, and of course, that's an agenda we've heard a lot from President Obama on, it's clearly a priority for him beyond the Iran case and it's one of the things that's driven him to focus so much on the Iranian nuclear program.

To the extent that we're relying on these coercive tools to get an agreement, what does that do to the broader non-proliferation agenda?

MR. VON HIPPEL: Well, if it works, I guess --

MS. WITTES: So, that's good enough.

MR. VON HIPPEL: But Iran does have a lot of sympathizers who -- countries who feel like it does have an inalienable right to do everything that the non-proliferation treaty doesn't forbid, and the only thing, really, that the non-proliferation treaty forbids is to use these technologies to acquire nuclear weapons.

But that's a weakness, and that's why I do think that it's necessary to think in a broader scale and also I think it would be more palatable for the Iranians if they feel like they're -- you know, what is being pioneered within could be a template for the strengthening of the non-proliferation -- that they won't be singled out in that sense, that their pioneers in terms of strengthening the non-proliferation regime.

MR. WITTES: Okay. So, in the negotiations, then, the P5+1 team has to look not only at the specific terms, not only at their domestic political context, but also at these precedential issues for other countries with nuclear programs and with nuclear threats.

What I'd like to do at this point is open it up to you for your questions. Let me ask you a few things up front, number one, wait for the microphone, number two, please identify yourself briefly before you ask your question, and number three, of course, that means it's a question with a question mark at the end and question, singular, so why don't we start right here on the aisle?

MR. McDONALD: Hi. I'm Bruce McDonald. I'm with the U.S. Institute of Peace and I adjunct at Johns Hopkins SAIS. First, just a quick question of information. Bob, is your report available to be downloaded?

MS. WITTES: Yes.

MR. McDONALD: That's excellent because I'd love for the students in the non-proliferation class that Bob Alvarez and I are teaching together to be able to access this and congratulations on a great job.

Secondly, in all this discussion I understand the key role of breakout

time. Is there possibly another partial dimension of negotiating freedom here in the question of the degree of intrusiveness of the verification? It would seem to me that if you had -- you might be -- there's maybe some tradeoff, you can trade off a little bit of breakout time against very highly intrusive verification that might -- it would seem to me it does two -- it might do two things, one, give you even earlier notification when something may be going on, and two, precisely because in the face of such substantial verification, in monitoring, it would erase any doubt that -- I mean, to go against that level of international monitoring it would be clear they'd be demonstrating an intent.

Is there any possibility to exploit that degree of freedom and negotiations?

MS. WITTES: Thank you.

MR. EINHORN: I think there is. I mean, if you have very intrusive monitoring arrangements that can detect breakout right away, then -- and not only right away, but unambiguously, because if there's ambiguity, then the Iranian -- when the IAEA goes to them and say, well, you know, what does this mean, it looks like you're deploying more centrifuges than you agreed to. Oh, this is an error. We had people who didn't understand the agreement. They will try to obfuscate, delay, and so forth, especially if there's genuine breakout going on. That's why the measures have to be very intrusive, but also to yield as close to unambiguous answers as possible. I think that's important.

But what I have to realize, even the most intrusive measures, the Iranians at one point can decide to wake up in the morning and breakout and they're going to kick out the inspectors and they're going to turn off the cameras and break the seals and all the rest of it. And, you know, that's why a breakout timeline is significant. It is significant, but the earliest and most unambiguous possible indication of breakout is very important.

MS. WITTES: Frank?

SPEAKER: (Inaudible) inspectors and turning off the cameras would

itself be pretty unambiguous.

MS. WITTES: Yes, indeed.

MR. EINHORN: Exactly.

MS. WITTES: Frank, you wanted to answer?

MR. VON HIPPEL: I was just going to say that, in fact, the breakout is pretty easy to detect. It's the sneak out that I worry about more, about the clandestine program and how long it could remain clandestine.

MS. WITTES: Yeah. Dennis?

MR. ROSS: I was just going to add, I mean, again, we have a number of Gulf States who are going to demand, whatever the Iranians get, we get too. Now, one way to argue against that, if we don't want them to be enriching, is to say, do you want this kind of intrusive inspection regime in your country?

So, it's an additional argument, not only because we need it for the Iranians, but in a sense, to dissuade some of their neighbors from deciding they want to go an enrichment route like the UAE after the UAE had basically said, all right, we're going to forego that.

MR. EINHORN: This is a very important point. What precedent does it create to allow Iran to have enrichment under this agreement? Now, if the kind of approach that I'm suggesting is realized, this will be a very limited enrichment program. Countries like South Korea want an enrichment program to produce fuel for a large number of power reactors. And we have concern -- U.S. has a concern about that because of the precedent it would set.

But if the U.S. can succeed in getting Iran to agree to a very limited program, not one sufficient to fuel power reactors, then this will not create a very bad precedent because I can tell you, countries like South Korea, which are genuinely interested in nuclear energy for peaceful purposes, will not be interested in that kind of an enrichment program.

So, I think that's important to differentiate in terms of precedent.

MS. WITTES: Thank you. Why don't we go right here?

MR. RICHTER: I have two questions. Paul Richter with *L.A. Times*.

First, I wonder if you all -- especially Dennis and Bob, could say a few words about what you see in the meetings in Vienna that we've had so far. It's very difficult to discern what's been going on there despite the best efforts of the chief American negotiator.

And secondly, I wonder also if you could comment on whether American public opinion on military action now is a factor at all in all this thinking about assuring that the Iranians understand the consequences of a breakout. The polls about American interest in being involved in Ukraine show very little interest there. I don't know how Americans are feeling about a U.S. attack on Iran these days but I have a sense that maybe they're a little less enthusiastic than they have been in the past.

MR. WITTES: Okay. Dennis, do you want to start?

MR. ROSS: Sure. Let me take the second part of that first. I do think Iran is actually put in a different category than almost any other country just given there's a legacy here, I think that's basically felt and believed here. You know, a year ago, a little less than a year ago, I was in a Congressional retreat, it was an off-the-record thing so obviously I'm not going to describe what was going on, but I'll just say what I was struck by was in discussing Syria -- and this was bipartisan -- the one thing that everybody agreed on on Syria is that nobody wanted to do anything in Syria.

I mean, I was actually trying to explain what the consequences were of inaction, that you couldn't just look at the cost of action you had to look at the cost of inaction as well, and there was just no resonance with that argument at all, even when I laid out where I saw things were headed, including a year ago saying, I think we're going to face a large number jihadis embedding themselves there and Syria could become a platform for attacks against us.

Not the slightest interest, even when I said that. When I described and

went through Iran, there was a kind of consensus, yes, Iran is different. If they get a nuclear weapon, we would have to do something about it.

So, I think Iran may actually be, notwithstanding all the polls that show the understandable wariness and weariness, Iran is in some ways, I think, just put in a different category.

On your first question, I don't know a lot more than you; I would simply say I think what I've been struck by is actually two things, first that there was an early agreement on an agenda. Now, just because you agree on an agenda doesn't mean you're going to reach an agreement and the character of the differences between the two sides, as basically Bob was both being explicit about and implicit about, are real and difficult to overcome. I think the Iranians, by the way, are prepared to offer more on transparency and less on roll back, and I think this is a -- trying to overcome the gap there is not going to be a simple thing.

Agreeing on an agenda, though, is not trivial. As someone who's done a lot of negotiations, I can tell you oftentimes you spend an enormous amount of time just on an agenda. And the fact that there was an early agreement on an agenda tells me that there is actually a serious negotiation underway, there probably is a desire, for different reasons, to try to reach an understanding with (inaudible) like the 20th timeframe. I remain somewhat skeptical that's going to be possible, and in a strange way, even though there's a strong impulse to want to reach an agreement, there's also a need on each side to show that they didn't just give in, and sometimes that creates an impulse not to reach an agreement by that kind of a timeframe.

But I would take the indication of reaching an agreement on agenda as at least an indication of seriousness.

MR. EINHORN: Just to add to that, on the second point first. Today, it's not very credible that the U.S. or anyone would use military force, today, when negotiations are underway. In a situation where an agreement had been reached and

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there was clear evidence that Iran was violating that agreement and moving toward nuclear weapons, I think this would be a totally different kettle of fish and I think the political inhibitions against use of military force would be greatly, greatly reduced in those circumstances.

In terms of the pace of these negotiations, it's a six-month period. I think the first three months will be devoted to kind of laying out basic approaches, explaining concerns, key negotiating objectives, giving an indication where some of the bottom lines may be.

I don't believe negotiations have really begun in the sense -- well, it's all negotiations, but in terms of closing the gaps, going to back up positions, I don't think that's begun.

I think part of the agenda that was agreed that Dennis alluded to will involve next week going through a number of other major issues that they didn't go over in detail last time around, and I think by the end of next week, everything's going to be out there on the table. I think -- my sense is that in May, when they get together, they will really begin to tackle these issues and they'll have May, June, and July, and the pace of engagement, I'm sure, when you get to June and July, is going to be accelerated greatly.

MS. WITTES: Let's hope so. Why don't we go to Margaret and then we'll take some from the back of the room?

MS. WARNER: Margaret Warner from PBS Newshour. What about Russia's role? I know the argument that Russia isn't doing this as a favor to us, Russia's doing it for its own interests, but I think, as we've seen with Ukraine, our calculations about Putin's global ambitions or how he sees Russia's place in the world, we may have not been as perceptive -- the U.S. may not have been as perceptive as it believed it was.

So, I'm particularly interested in Dennis and Bob on this. Are they really -- I mean, what are the prospects that Russia would do something here that would make it harder to get a deal? And from everything you've heard, is it true that last week with

the last meeting everything was still -- they were completely cooperative?

MR. EINHORN: I think, Margaret, that the Russians do have a profound interest in the success of these negotiations. They don't want instability to their south. They don't want to see this leading to military confrontation. So, they have every reason to want these talks to succeed. Also, the kind of approach that I've outlined involves the Russians playing a big role in selling fuel to Iran for a second or third power reactor, and this is quite lucrative for the Russians.

I think, you know, they have a number of economic and strategic reasons for wanting to achieve a deal. They could play a real spoiler role. If they proceeded with this oil barter arrangement that's been rumored, this could really undercut sanctions, but this has been raised at the highest levels with the Russians and this seems to have been put on the back burner for the time being.

But, you know, Putin's Russia is -- has become less predictable today and you can tell, but so far I don't believe we've seen any evidence that they're going to play a spoiler role and that they're going to succeed in insulating this negotiation from some of the other difficulties we're having.

What I hear is that at the last round, even though the Russian representative made some public comments after the roundabout perhaps responding to sanctions against Russia, by taking it out on the Iran negotiations, I'm told that in the negotiating room, the Russians continued to play a very constructive role.

MS. WARNER: But I mean, how active is Putin in this? (Inaudible) has had a much freer hand (inaudible) clearly had not in Ukraine. So, I'm just wondering how that's being factored in.

MR. ROSS: First, Putin has brought my Sovietological training back into relevance and I think -- look, he's highly transactional, he'll do a calculus. Right now he doesn't have an interest in being a spoiler, partly for the reasons that Bob said in the sense that they potentially have a stake in this. Not only that, I mean, if it breaks down

and force gets used, the one thing he hates is the idea of looking irrelevant. The most important thing for him is always to look like all the roads run through Moscow. This is part of what is driving him.

So, being relevant, and if there's a lucrative payoff, is going to be a source of attraction to him.

Having said that, you know, he'll put this in a larger calculus. If, in fact, we're putting pressures on him, he's going to look for opportunities to show us the high price we pay when we do that. Now, is Iran going to be the first place where he chooses to exercise that? You know, he has other places where he can do that, certainly Syria, not that he was being particularly cooperative on Syria anyway, but certainly he has that in the first instance.

In the case of Iran I think he can wait. You know, playing the spoiler can come later. He can do it at a time when, if he regards this as being like our number one and number two priority, it gives him an additional incentive to prove to us that we're going to pay a price on something that really matters to us.

So, he'll hold that, I think, in reserve. He doesn't need to act on it now, but I would certainly say it's an option where he can play along the margins. And then he has to make his own choice. Is he doing something to prove to us the price and is that sufficiently worth it to him given what he might be giving up? He'll have to weigh the pros and cons of that and I think at this point he doesn't need to make that choice and he probably hasn't.

MS. WITTES: Thanks. Why don't I take two or three together from the back and then we'll come back up to the panel? So, starting right here.

MR. GALBRAITH: Peter Galbraith. My question is, for the agreement that you've outlined, what do you think the Congress would actually lift the sanctions, and is it possible to have a deal in which the U.S. sanctions are not lifted but everybody else's are?

MS. WITTES: Okay, and then the lady at the camera?

MS. HUFF: Hi. Pricilla Huff with *Jewish News One* and *Feature Story News*. Israel has said that Iran must not get a nuclear weapon. You've just said in the report that in a certain sense they can get a nuclear weapon. Do you think that Israel would accept a deal at this point even if everybody else says, yeah, this ticks most of the boxes and this is credible and makes sense?

MS. WITTES: Okay, and then on the other side of the aisle, the gentleman with the beard? Was your question answered?

SPEAKER: That was my question.

MS. WITTES: In front of you then, yes.

SPEAKER: Hello. Ne Fargo from the U.S.-Korea Institute SAIS. The plan or the package that Mr. Einhorn described is very similar, at least from my point of view, to what was offered to the Iranians during the Ford and Carter Administrations -- limited enrichment, shackling the ability of the Iranians to enrich and reprocess independently in Iran, and at that time, the United States had much leverage over Iran, but the Shah's government rejected this kind of package.

What, in your view, what circumstances or why would -- sorry -- why would the Ayatollah's regime nowadays agree to what the Shah's government rejected? Thank you.

MS. WITTES: Okay. Thank you. So, we've got three questions here, one on the role of Congress, one, is this a formula that's already failed, and then a question as well that I think gets to how we frame what we're trying to accomplish in these negotiations. This paper is titled "Preventing a Nuclear Armed Iran". We talk about prevention all the time, but really when we get into the nitty gritty, we're talking about deterrence, not prevention.

Is that an accurate way to describe this? And, if so, is that something that as a goal is simply not the same goal as others in the international community?

Frank, let me start with you as somebody who's looked across the history of these efforts. Is this a failed formula?

MR. VON HIPPEL: No, I think the situation with the Shah was very different. I think the U.S. actually was much more open to the Shah having a nuclear weapon option than we are now, and -- but I don't know whether either Bob or Dennis actually know more about it. I don't know about the history -- the details of that history.

MS. WITTES: Well, maybe I can just ask you, perhaps, a bit more on the technical side. Bob's contention is that what the Islamic republic says it needs or wants out of a nuclear program can be accommodated through this very limited, constrained, overseen process. Is that right? Is that fair?

MR. VON HIPPEL: Well, I mean, with regard to power, having a self-sufficient nuclear power program? No. I mean, I think it is just really a token program that Bob is describing with regard to enrichment and that, you know, but I think that Iran, even under Ahmadinejad, expressed a willingness to go a multinational route on enrichment and I think -- I would -- I think that's really the way forward, I mean, not only for the negotiations with Iran, but also, as I've indicated, internationally.

MS. WITTES: Thank you. Dennis?

MR. ROSS: A couple points. First, on what you are posing, Tamara, on the question of is it really deterrence as opposed to prevention. Well, I think it's both.

MR. EINHORN: It's prevention through deterrence.

MR. ROSS: Yes. And the reason I say that is, they're not a nuclear weapon state. They are a nuclear threshold state and the question is how do you define nuclear threshold.

Now, Bob's point, which I think is hard to dispute and it really has been the case since at least 2007, according to going back to the NIE then, they have had the know-how, the engineering capability, to become a nuclear weapon state at least since that time, on their own, without help from anybody else.

So, the question has been, how do you prevent them from crossing the threshold, so they're not just a threshold but they have a weapon or weapons capability? And here is a -- what Bob is suggesting is a diplomatic way to reach an agreement that allows them to have civil nuclear power but not to be in a position where they can easily convert that without detection and without enough time for us to do something about it and to becoming a nuclear weapons state.

So, I think it is basically prevention through deterrence.

And that gets to the question about Israel. Would Israel accept this? Well, if you produce this agreement, I'm not saying that the Israelis will do handstands over it, but the reality is, if it becomes very clear that there are restrictions and the level of the intrusiveness gives us a high level of confidence and we're able to demonstrate the resolve, then I think the answer is, yes, they will accept it, and I would just add, with regard to the Congress as well, I think the Congress will as well, not that it's going to be a simple sell, but, again, you have to look at what your alternatives are going to be at that point. If you're not prepared to accept it and you're not prepared to lift the sanctions as a result, are you prepared to live with the consequences of not doing so?

Now, I think the key is, it has to be -- what Bob is laying out is basically an agreement that would cross the threshold of credibility. If the breakout time were less than six months, I think that's a very hard deal to sell because I think then the, I think, attitudes on the Hill would be, look, we're not sure we've -- what we look like we bought here is an outcome where they can choose to make a dash when the international circumstances lend themselves to it. Maybe we're distracted, maybe there's other crises, and they choose to make a dash. So, they get all the benefits of having sanctions lifted and we haven't removed the risk, we haven't removed the threat, but that's not the case with what he's proposing.

MS. WITTES: And you've actually got a very specific set of actions for Congress to take here, so it's not as though they're laying back passively until a deal is

reached.

MR. EINHORN: Exactly. Let me just come back to Peter's question. Could there be a deal if all the others but the U.S. lifted sanctions? No, there's no way there could be a deal because the most consequential sanctions are those that the U.S. has imposed on the basis of its national legislation and executive order -- the oil sanctions, central bank, the finance. These are American sanctions. The European Union has also done a number of these things and that's very, very important, but Iran is not going to conclude this kind of a deal unless the U.S. was prepared to lift.

Now, when it comes to some technical issues having to do -- well, how does that lift have to -- I mean, what if the legislation stayed on the books but the executive was determined to use its executive authorities and its waiver authorities to avoid imposition of sanctions that continued to exist on the books? I think it would be difficult to persuade the Iranians that this was acceptable.

The Iranians will want to see those sanctions gone, lifted as a matter of law, but what I'm suggesting here is that the Congress, in lifting those sanctions as a matter of law, can build into legislation that if the President comes to them in the future and says, there's clear evidence that Iran is violating this agreement and moving to nuclear weapons, that it would be almost automatic that the old sanctions would be restored and additional harsh sanctions would be imposed.

But I think Iran will be very fussy about what sanctions lifting looks like, and there's already agreement in the joint plan of action, the November agreement, that under a comprehensive agreement, nuclear related sanctions will comprehensively be lifted, so that end point is clear. The question is, how you define it, and I don't think the Iranians are going to be very casual about the solution they're going to consider acceptable.

MS. WITTES: Great. Well, Frank, Dennis, and especially Bob, thank you so much for a fantastic discussion this morning, and Bob, thank you for this incredibly

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thoughtful and comprehensive report. Thank you all for coming.

(Applause)

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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.

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