

THE BROOKINGS INSTITUTION

COLIN KAHL'S REMARKS
2015 U.S.-ISLAMIC WORLD FORUM IN DOHA, QATAR
PLENARY 1: STRATEGIC REALIGNMENT IN THE MIDDLE EAST

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P R O C E E D I N G S

MR. KAHL: To start, I'd like to thank Tamara Wittes, a very good friend of mine, and a colleague from the first part of the Obama Administration. I also want to thank Bruce Jones, Will McCants, and everybody else from the Brookings Institution for having me here, and of course, the Government of Qatar for hosting and supporting this important event.

With the U.S. Islamic World Forum, you've created an incredibly important venue for genuine exchange of ideas between the United States and our partners throughout the Islamic world. So, thank you, all of you, for doing what you do.

As Tamara mentioned, and as our earlier speakers have already alluded to, this year's Forum convenes at a time of great turmoil and uncertainty across the Middle East. You have the rise of Daesh, ongoing conflicts in Iraq, Syria, Yemen and Libya. The persistent threat posed by al-Qaeda affiliates,

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whether it be in the Arabian Peninsula or across North Africa, rising sectarian polarization, continued controversy over the role of political Islam, and around nuclear and destabilizing activities. These are just some of the challenges confronting the region.

I'll be happy to talk about any and all of these issues in the moderated discussion and the question-and-answer that follows my formal remarks. And I understand that my good friend John Allen will be here on Wednesday to give you a full account of the U.S.-led international effort against Daesh. So you'll get an opportunity to hear from General Allen on that topic; but I want to focus my formal remarks on one particular issue.

The prospects for a comprehensive, nuclear deal with Iran and what that would mean for the Middle East and the world. It is essential, I believe, at this moment to have an in-depth conversation about this topic, both because of its enormous strategic importance but also because there are so many

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misconceptions about the agreement that we are negotiating.

From his very first day in office, President Obama has been committed to using all instruments of American power to prevent the emergence of a nuclear-armed Iran. An outcome that we believe could set off an arms race in the Middle East, and raise the specter of a nuclear war in what is already the world's most troubled region.

We took an important step towards accomplishing this objective in November of 2013, when we agreed to the so-called Joint Plan of Action, the JPOA, an interim nuclear accord that froze Iran's nuclear program in place, and rolled back some of its most troubling dimensions, while we continue negotiations towards a more comprehensive solution.

On April 2nd of this year, we released the parameters for such a comprehensive deal, if finalized over the next month, the agreement we are negotiating will effectively prevent the emergence of nuclear-armed Iran by closing off the various pathways whereby

Teheran could produce a bomb. Notably, a breakout attempt by Iran, for producing weapons-grade uranium at one of its declared enrichment facilities, that is Natanz or Fordow, a plutonium path using the Arak, that's A-R-A-K, Arak heavy-water research reactor, or a covert path using secret facilities.

So let me say a few words about how the deal, if completed, will block these pathways. First, on enrichment; given Iran's current number of centrifuges, and its stockpile of low-enriched uranium, it would take at this -- as of today, it would take Iran two to three months upon a political decision to do so, to produce one bomb's worth of fissile material.

If Iran's leadership decided tomorrow to produce nuclear weapons, it would take them two to three months to produce the first bomb's worth of explosive material. In the absence of a comprehensive agreement to deal with this challenge and constrain Iran's program, Iran will likely install and being operating tens of thousands of additional centrifuges

in the near future, including thousands of much more advanced machines, shrinking the breakout timeline even further.

Under the deal we are negotiating, however, Iran's enrichment capacity would be substantially rolled back and the breakout timeline for producing weapons-grade uranium would be significantly lengthened. Under the proposed agreement, Iran's enrichment level will be capped at the 3.67 percent level, far below the level of bomb-grade material, which is at the level of 90 percent purity or above.

In addition, for the next 10 years, Iran's centrifuges will be cut by two-thirds, from more than 19,000 machines today, to about 6,000; only 5,000 of these machines will be operating, all of the operating machines will be at the Natanz facility, and all will be the most basic IR1 Models.

And for the next 15 years, Iran will reduce its current stockpile of approximately 10,000 kilograms of low-enriched uranium, which would be enough if further-enriched weapons grade to produce as

many as eight nuclear weapons, that stockpile will be reduced by 98 percent to a working stock of 300 kilograms of low-enriched uranium, a fraction of what would be required for a single nuclear device.

Meanwhile the deeply-buried Fordow facility will also be converted to a nuclear physics technology and research center. For the next 15 years, no enrichment can be conducted at Fordow, no enrichment-related research and development can be conducted there and no fissile material can be stored there. The net result, for a decade, breakout time to produce one bomb's worth of highly-enriched uranium will be extended from the current two to three months to more than a year.

The cushion provides ample time to deter Iran from going down this road, detected if it tried to do so, and stop them if they did. And for years beyond this 10-year point, stockpile limitations and other constraints on Iran's enrichment would produce a longer breakout timeline than exists today. So that's the enrichment path.

The deal will also close off the plutonium path. Under the Joint Plan of Action construction at the Arak Heavy Water Reactor has been frozen, but if we fail to achieve a lasting comprehensive solution, the construction of the Arak, and construction of the Arak reactor is completed, the reactor as currently designed could produce one or two bomb's worth of weapons-grade plutonium every year.

Under the deal we are negotiating, however, Arak will be redesigned to produce zero weapons-grade plutonium. The spent fuel from which plutonium could be extracted will also be shipped out of Iran for the life of the reactor, and Iran will be barred from building the reprocessing capabilities needed to chemically separate bomb-grade material.

Taking together these steps, shut down the plutonium path using Arak, forever. What about the possibility of a covert path to a bomb? This is obviously a major concern. That is why the deal we are negotiating will put in place the toughest transparency and verification measures ever

negotiated.

Inspectors from the International Atomic Energy Agency, the IAEA, will have full access to the Iran's declared nuclear facilities, including Natanz, Fordow and Arak. Supplemented by the use of modern surveillance and environmental sensing technologies, and from the outset Iran will implement the additional protocol to their safeguard obligations, allowing IAEA Inspectors to inspect both declared facilities and undeclared sites where illicit activities may be underway.

These obligations are permanent, as is Iran's continuing obligation under the Nuclear Nonproliferation Treaty to never produce nuclear weapons. Crucially, the proposed deal will place every link in the nuclear supply chain under surveillance. For the next quarter century, the next 25 years, inspectors will have access to Iran's uranium mines and mills, and for the next two decades, they will have access to Iran's centrifuge production assembly and storage facilities.

Throughout the life of the deal, all purchases of sensitive equipment will be strictly monitored. These restrictions will dramatically reduce the risk that Iran could covertly divert nuclear materials or components, or acquire them on the black market to construct a new nuclear facility. And, as part of the transparency measures under a final agreement, Iran will have to address the IAEA's concerns about the possible military dimensions of their previous nuclear research.

So taken as a whole, the constraints and verification measures in this proposal are significant, if any point Iran breaks its commitments and goes for a weapon in the open or in secret, we will be much more likely to detect it under the emerging nuclear deal, than we would be otherwise, and will have more time to effectively respond.

Of course, Iran's willingness to sign up to this arrangement stems from a desire for meaningful relief from nuclear and proliferation-related sanctions. If Iran lives up to its commitment under

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the deal, we will live up to ours. But let's be clear, Iran must verifiably complete its implementation of its core nuclear commitments, in terms of reducing enrichment capacity, modifying Arak, implementing transparency measures and addressing the possible military dimensions issue, before it receives substantial U.S., EU or U.N. sanctions relief.

That could happen relatively quickly, but only if Iran takes quick action. There will also be procedures in the final deal that allows both unilateral and U.N. sanctions to snap back into place if Iran violates the agreement. Taking all of these elements into consideration the accord being -- the accord that was outlined on April 2nd, if finalized, is a good deal, a good deal for the United States, a good deal for the region, and a good deal for the world.

And when one considers what a world without this deal looks like, a world in which Iran's breakout timeline rapidly shrinks its stockpile of enriched uranium grows, Arak becomes a plutonium factor, our ability to detect a covert program diminishes, and we

get back on the road to a nuclear-armed Iran, a military confrontation, or both, this conclusion is even more incontrovertible.

Nevertheless, this hasn't stopped a number of people from pointedly criticizing the proposed deal. Numerous criticisms have been directed our way, and I would be happy to discuss any and all of them in the Q&A. But given the limit of time, let focus on what has emerged, I think, as perhaps the biggest critique, the argument that the deal, by lifting sanctions, will provide Iran with a windfall of cash thereby enabling Iran destabilizing activities across the Middle East and facilitating Iranian domination.

Indeed, some have even gone so far as to argue that, "A richer Iran is more dangerous than a nuclear-armed Iran." This concern should be taken seriously, and we do take it seriously, but there are several fundamental problems with this line of argument.

For one thing, it is not at all clear that Iran will spend the majority of the money it gets from

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sanctions relief on troublesome foreign behavior. Because Iran is in dire straits economically, Iranian spending in the aftermath of the deal is likely to focus on domestic priorities. That is for sometime at least butter is likely to take precedence over guns.

As a result of U.S. and international sanctions, the Iranian economy is, perhaps, 15 to 20 percent smaller than it would have been otherwise. And it will take Iran a long time to dig out from this economic hole, even with substantial nuclear-related sanctions relief.

Our oil sanctions alone have deprived Iran of over \$160 billion in oil revenue since 2012. Because Iran's economy is in such disrepair, the majority of new revenues are expected to be used to address economic needs, including shoring up Iran's budget, building infrastructure maintaining the stability of the rial, and attracting imports. Indeed, the scale of Iran's domestic investment needs alone is estimated to be at least \$0.5 trillion which far outstrips the benefits of sanctions relief.

Moreover, President Rouhani was elected on a platform that included economic revitalization, and Iranians are expecting tangible economic benefits from constructive engagement with the international community. Politically, Rouhani and the regime will be under immense pressure, domestically, to deliver economic improvement once Iran starts receiving sanctions relieve.

Of course, despite these objective economic and political imperatives, it is certainly possible that the regime will choose to devote additional money to support Iranian foreign operations. And the unfortunate reality is, that many of these foreign operations are not very expensive which is why Teheran continues to fund them despite sanctions, and will likely continue to do so whether or not sanctions are maintained.

Much depends, in the end, on what type of actor Iran chooses to be in the region. It is conceivable, although far from inevitable, that a nuclear deal could incentivize Iranian moderation. It

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is also possible that it will not. Many of you follow Iranian politics closely; you know that there is a major debate among Iran's fractious political leadership.

Some pragmatic officials seek greater integration into the international community and more normal relations with the outside world and with regional neighbors. Other hardliner leads, however, clearly aspire to dominate the greater Middle East via militant proxies. A deal might empower pragmatists by giving them a big win, potentially allowing them to claw back more implement in Iran's foreign policy and push domestic reform.

But it is also possible that the Supreme Leader could seek to placate or compensate hardliners after a deal, by doubling down on so-called regional resistance. Because it could go either way, the nuclear deal we are contemplating is not, let me repeat, not, premised on making a big bet on Iran's future geopolitical orientation.

The deal we are negotiating makes us and the

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region safer regardless of the outcomes of this internal conversation in Iran. And thus we should pursue it even if Iran does not change its stripes.

Let me be crystal clear, this potential nuclear deal is not a grand bargain between Washington and Teheran, and it is certainly not a permission slip for Iran to make even more trouble in an already-troubled region.

If, and it's a very big "if", if Iran begins to moderate its behavior there may be opportunities for further constructive engagement to deescalate regional tensions, but where Iran persists in its destabilizing activities, or chooses to escalate them further, we will continue to push back against these activities and defend our allies and partners in the region.

That is why we will continue to call out Iran's leaders for their detention of American citizens, their anti-Israeli and anti-Semitic statements, the human rights violations, and that's why, irrespective of a possible nuclear deal, our

sanction is targeting a broad array of Iran's nonnuclear activities, including its human rights violations and support for terrorism, will remain in full effect and will be vigorously enforced.

Moreover, even as we pursue a nuclear deal, we will expand our already robust cooperation with Israel and our other regional partners, including here in the Gulf, to push back against Iranian threats.

With Israel, despite a number of policy disagreements, our security cooperation is as strong as it's ever been. Our commitment, as President Obama has stated repeatedly, to Israel security is unshakeable, and we will continue to work closely with them to address common challenges. Here in the Gulf, too, we have taken important steps to protect our Gulf Cooperation Council partners.

A few weeks ago, at Camp David, President Obama reaffirmed our longstanding security assurance to our GCC Partners, to defend them against external aggression, a policy that dates back to the Eisenhower, Nixon and Carter doctrines, and the 1991

U.S.-led Gulf War to expel Saddam Hussein from Kuwait.

Indeed, as I speak, we have approximately 35,000 U.S. Troops stationed in the region to deter aggression and defend our partners against it. We are also working to expand GCC defensive capabilities, and deepening this cooperation was, of course, a major goal of the Camp David Summit. It is useful to keep in mind that, while Iran's actions throughout the region are a major concern, they are not an unstoppable juggernaut, and by many measures the raw balance of power in the region is not in their favor.

Consider this, according to the International Institute for Strategic Studies, Iran spent nearly \$15 billion on its military last year, in 2014; compared to almost \$115 billion for the GCC as a whole. That's right, \$15 million versus \$115 billion. And as you know, the GCC has access to cutting-edge U.S. technology and now operates some of the most sophisticated military hardware anywhere in the world.

Iran is not likely to close these quantitative or qualitative gaps even with additional

resources. So, among our GCC partners, the challenge is less about a disparity in conventional military capabilities, rather, it is the ability of our partners to work in a more interoperable and integrated fashion with us, and with each other.

That is why a major point of emphasis at Camp David was identifying steps that we can take collectively to improve things like integrated early warning, and air and missile defense, and improved cooperation in the maritime domain. We can also do more to enable our GCC partners to address irregular and asymmetric threats to their security, and we are committed to doing so.

That is why we are focused on ways to improve things like cyber defenses and the protection of critical infrastructure and those, too, were major topics at Camp David, and it is why we are committed to improving counterterrorism cooperation with our GCC partners, building their special operations capabilities, and working to develop regional forces that can focus on missions like stabilization and

peace-keeping.

It is also important to understand that many of Iran's gains in recent years are more a byproduct of the weaknesses in many regional states where Iran and its proxies operate rather than a manifestation of inherent Iranian strength. The solution it has challenged -- and this was another major point of discussion at Camp David, is to work with the GCC and other partners in the region -- and the international community, to build stronger states and pursue political solutions that help stabilize key countries.

That's why, in places like Iraq and Lebanon, where Iran attempts to use proxies to exercise undue influence and build parallel institutions, we will continue our work to strengthen national institutions and militaries to help them combat violent extremists of all stripes while hardening them against foreign interference.

That's why, in places like Syria and Yemen, we will continue to promote political transitions, and inclusive power-sharing arrangements to end the

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violence and ensure that all parties, not just Iran's proxies, have a say in governance; and that is why it is imperative, even as we deepen our security and diplomatic cooperation with GCC States, for our Gulf partners to constructively engage Iran, and explore ways to deescalate regional tensions and sectarian polarization; steps that essential for the long-term stability of the Middle East.

Finally, we also continue to strongly believe that a two-state solution to the Israeli-Palestinian conflict is not only just an essential for Israel security and its status as a Jewish and Democratic State, but we also continue to believe that it would help limit Iran's ability to project influence into the Levant, and would significantly improve prospects for Israeli cooperation with Arab States to address common challenges.

Of course, some of our critics want us to go further than pushing back on Iran's destabilizing activities in the aftermath of a possible nuclear deal, they believe we should, instead, condition the

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removal of nuclear-related sanctions on Iran altering its destabilization behavior first, including ending all Iranian's support for terrorism, militancy, subversion and calls for Israel destruction.

We share the desire for Iran to end all of these practices, and we will continue to push Iran to do so. But the nuclear sanctions were put in place to pressure Iran to accept a nuclear deal out of the recognition that, as destabilizing as Iran's actions are now, a nuclear-armed Iran would be much more dangerous.

It would be able to hide behind the shield of a nuclear deterrent to advance its ambitions in the region in support for terrorism and militancy with impunity. And its actions would not carry the risk of sparking crises that spiraled into a nuclear conflict, a risk that does not exist today.

So, the purpose of these sanctions and this deal is to reduce this risk, not to resolve every problem we have with Iran, and every threat and challenge that they pose. A similar rationale drove

Arms Control Agreements during the Cold War with the Soviet Union, another regime that engaged in reprehensible behavior at home and abroad. Brutalized its own people, sponsored proxies, and threatened our allies around the world.

The United States made repeated Arms Control Agreements with the Soviet Union even as they continued to engage in a behavior that was far more threatening to our interest and stability than Iran's activities are today.

Why did we do that? We did it in order to reduce the nuclear threat and prevent nuclear war, and it is worth remembering that none of these Cold War Nuclear Accords stopped us from assertively pushing back against Moscow's destabilizing activities across the globe.

As the old American saying goes, we proved capable of walking and chewing gum at the same time, and we are just as capable of doing that today. So we should not condition a nuclear deal with Iran on resolving every dispute we have with them first. Moreover,

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even if we were so inclined there is simply no reason to believe the conditioning sanctions really on Iran, fundamentally changing its behavior throughout the region would actually work.

Insisting on the highly ideological regime in Teheran, ending all of its objection and behavior in the region is tantamount to insisting on regime change as a condition for a nuclear deal. It won't work because the regime would never accept it, and even more importantly, the world would not back this play. Meaning, it would leave us, the United States, not Iran isolated, and it would leave Iran freer, not more constrained, to cause mischief.

Last but not least, we can be just as confident that maintaining the current nuclear-related sanctions, or attempting to escalate them, especially in the absence of international support, as some of our critics advocate, that won't be sufficient either to solve the problem of Iran's nefarious actions.

Since Iran has proven both willing and able to engage in these activities despite the sanctions

being in place, ultimately it is geopolitical constraints, not financial ones that will limit greater Iranian activity in the region. That is why a strategy that simultaneously pursues a nuclear deal, and steps to support our allies and counter Iran's destabilizing actions, makes more sense than rejecting this nuclear deal as our critics would have us do, in defensible hopes of driving the Iranian Regime and its proxies out of business.

So, when all these factors are taken into consideration, it is clear that the deal we are pursuing advances a core U.S. interest, and is a net positive for the region and the world.

Is the deal we are negotiating perfect? It is not. Will it solve every problem in the Middle East? It most certainly will not, but if completed it represents the best available option to address the looming threat posed by a nuclear-armed Iran, and in the process make the United States, the region and the world a safer place.

Thank you very much. (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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