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THE IRAN NUCLEAR DEAL: PRELUDE TO PROLIFERATION IN THE MIDDLE EAST?

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P R O C E E D I N G S

MS. MALONEY: Good morning and welcome back to you all after the long and beautiful holiday weekend here in Washington. I'm Suzanne Maloney, deputy director of the Foreign Policy program here at Brookings Institution. And I'm very pleased to be here to help launch an important new report by two of my Brookings colleagues, Senior Fellow Robert Einhorn, and Nonresident Senior Fellow Richard Nephew, the report that you have before you, entitled "The Iran Nuclear Deal: Prelude to Proliferation in the Middle East?". From their long service as part of the administration, particularly in the negotiations with the Iranians, Bob and Richard know this issue inside and out and they have crafted a detailed and thoughtful examination of the deal and its implication for proliferation policies across the broader Middle East. I urge you all to read the report. You should have received a copy on your way in or your way out, and study the recommendations because I think we're all going to be looking at this issue for quite a bit of time in the future.

It's been nearly a year since the deal itself was signed and we've had now almost six months of full implementation of its most important provisions, and yet the joint comprehensive plan of action and the Obama administration's diplomacy toward Iran and the broader region has continued to provoke an intense debate here in Washington, and intense diplomatic challenges with our allies and across the Middle East. For that reason we are especially pleased to have with us today two discussants who will take on various aspects of the report, Derek Chollet, senior counselor at the German Marshall Fund, who comes to the German Marshall Fund after a very distinguished career in the administration at the Pentagon, the White House, and at the State Department, and His Excellency Yousef Al Otaiba, ambassador of the United Arab Emirates to Washington, who brings one of the most thoughtful and well informed voiced from the region on this particular issue and has been a notable commentary on all of the aspects of the Iranian nuclear deal. You have their bios before you.

We're going to start with presentations by the authors of the report itself and then we'll engage in a discussion from the podium. We'll bring it finally to the audience and give you all a chance to contribute and ask questions to everyone on the panel.

With that let me turn it over to Bob Einhorn.

Thank you.

MR. EINHORN: Suzanne, thank you very much and welcome to all of you. During the Congressional debate on the Joint Comprehensive Plan of Action, the Iran Nuclear Deal, last summer a key issue in that debate was whether the deal would increase or decrease prospects for proliferation in the Middle East. Supporters of the deal argued that by removing the risk of a nuclear armed Iran the deal would reduce incentives for countries in the region to acquire nuclear weapons. Opponents, however, claim that the deal would increase those incentives because it would legitimize Iran's enrichment program, it would allow Iran to ramp up its fissile material production capabilities when key restrictions expire after 10 and 15 years, and it would boost Iran's economy, sanctions relief would boost Iran's economy and give Iran the resources to devote to a nuclear weapons program.

Richard Nephew and I strongly believe that the JCPOA will reduce prospects for proliferation in the Middle East, but uncertainties about the future of the JCPOA and uncertainties about the future of the region are going persist for quite some time. And these uncertainties could motivate regional countries to keep their nuclear weapons options open. And the countries of the region may be asking themselves a number of questions over the next several years, will the JCPOA be sustainable over time, will it unravel over questions of compliance, will it withstand challenges from opponents, both in Washington and in Tehran, will it survive leadership transitions in the United States and Iran, will Iran ramp up fissile material production capacities when key restrictions expire, will it then breakout of the JCPOA and build nuclear weapons, will Iran continue to threaten the security of its neighbors, and will the United States maintain a strong regional military presence and be seen by its partners as a reliable guarantor of their security?

With the support of the MacArthur Foundation, the Ploughshares Fund, and the Carnegie Corporation, Richard and I studied how these and other questions might affect nuclear decision making in key countries of the Middle East. In particular we evaluated the likelihood that key states will pursue nuclear weapons or at least enrichment or reprocessing programs that could give them a latent nuclear weapons capability. We examined official statements, media accounts, and the writings of American and regional experts. We visited the region twice and conducted an extensive series of interviews with senior officials and nongovernmental experts to encourage candor. These interviews were carried out on a not for attribution basis. We focused on four key countries, Saudi Arabia, the United Arab Emirates, Egypt,

and Turkey. And of the four Saudi Arabia is the most highly motivated to pursue nuclear weapons. Turkey sees Iran as an implacable foe that is intent on destabilizing its neighbors, achieving regional hegemony, and upending the kingdom's internal political order. At the same the Saudis have lost much confidence in the United States' commitment to the security of its regional partners. In part, as a result, the Saudi leadership has taken a more assertive independent role in regional conflicts, especially in waging its aggressive campaign in Yemen.

But despite these reservations about the United States the Saudis know that they have no real choice but to rely heavily on Washington for their security. And they know that they would place that vital relationship in jeopardy if they were to pursue nuclear weapons. The Saudis clearly have the financial resources to pursue nuclear weapons, but acquiring the necessary human and physical infrastructure to pursue an indigenous nuclear program would take many years.

Richard and I tried to get to the bottom of the widespread believe that Pakistan has agreed to help Saudi Arabia acquire nuclear weapons. But the truth about this alleged Saudi-Pakistani understanding is hard to pin down. If such a Saudi-Pakistani understanding was ever reached it was probably very long ago at the very most senior levels of both countries and it was probably very vague, with no operational detail about how it would be implemented or the circumstance in which it would be implemented. And in today's circumstances it's very unlikely that Pakistan would agree to become Saudi Arabia's nuclear accomplice.

We next looked at the United Arab Emirates. Like Saudi Arabia, the UAE believes Iran poses a severe threat. And like the Saudis the Emirates have lost considerable confidence in the reliability of the United States. But also like the Saudis the Emirates are reluctant to put their vital security ties to the United States in jeopardy. Also the Emirates are heavily invested in a very ambitious nuclear energy program with the construction of four nuclear power reactors. And the Emirates know that this program would be dead in the water if they opted for nuclear weapons. Indeed, in support of its strong national commitment to the non-proliferation of nuclear weapons the UAE has formally renounced the acquisition of enrichment or reprocessing capabilities. After the JCPOA permitted Iran to retain its enrichment program the Emirates said they may reconsider their formal renunciation of enrichment, but Richard and I were told in Abu Dhabi that the UAE has not changed its nuclear energy plans and has no

intention to pursue enrichment or reprocessing.

Next was Egypt. Egypt is on everyone's short list of potential nuclear aspirants, in part because of its former role as leader of the Arab world and its flirtation with nuclear weapons in the Nasser years. But while Egypt and Iran have often been regional rivals, Egypt does not view Iran as a direct military threat. Egypt's main concerns today include extremist activities in the Sinai, the fragmentation of Iraq and Syria, disarray in Libya, and the adverse impact of these developments on Egypt's internal security. And the Egyptians recognize that none of these threats can be satisfactorily addressed by the possession of nuclear weapons. In addition, while Egypt plans to build its first nuclear power reactor with Russia's help. It had ambitious nuclear energy plans in the past which never materialized. And given the severe economic challenges currently facing the Egyptian government, Cairo's nuclear energy plans are unlikely to fair much better this time around.

Finally, Turkey. Turkey is also on everyone's short list of potential nuclear armed states, but Turkey has maintained reasonably good relations with Tehran, even during the height of the sanctions campaign against Iran. Although the two countries take opposing sides in the Syrian civil war, Turkey, like Egypt, does not regard Iran as a direct military threat. Indeed, Ankara sees instability and terrorism emanating from the Syrian conflict as its main security concerns, and nuclear weapons are not viewed as relevant to dealing with those concerns. Current tensions with Russia over Turkey's shoot down of a Russian fighter jet are another source of concern to Ankara, but the best means of addressing that concern is to rely on the security guarantee Turkey enjoys as a member of NATO, and Ankara will not want to put its relationship with NATO at risk by pursuing nuclear weapons.

For the sake of completeness, Richard and I also looked at regional countries whose past nuclear weapons programs were halted by coercive means, namely, Iraq, Libya, and Syria. We concluded that under current circumstances none of these countries was in a position to pursue a sustained disciplined nuclear weapons effort. So our bottom line is that none of the Middle East countries we studied is likely to pursue nuclear weapons or even latent nuclear weapons capabilities, at least for the foreseeable future.

Richard?

MR. NEPHEW: Thank you, Bob, and thank you everybody for joining us here. As Bob

laid out, our assessment is that the likelihood of a proliferation cascade in the Middle East is fairly low, and it's certainly lower than it was prior to the conclusion of the JCPOA, which addressed in a very direct and fundamental way, Iran's nuclear program and the risk that it would contribute to regional proliferation. However, the likelihood is not zero. And if we've learned nothing else since 2000 it's that we should be in possession of a healthy sense of humility about making predictions about the future trend and future direction of events in the Middle East. There are several events that could happen that could invalidate our prediction, and much will depend on what Iran does over the course of the next 10-15 years. Moreover, even if we are right, there are several things that the United States both can and should do that would decrease this possibility and frankly also have positive benefits for U.S. policy and U.S. relationships in the region.

And we offered eight specifics recommendations, each of which has sub-elements. They are, first, to ensure that the JCPOA is rigorously monitored, strictly enforced, and faithfully implemented. Second, strengthen U.S. intelligence collection on Iranian proliferation related activities and intelligence sharing with countries in the region. Third, deter a future Iranian decision to produce nuclear weapons, including through the passage of a standing authorization to use military force if Iran were to be detected engaging in a nuclear weapons breakout. Fourth, seek to incorporate key monitoring and verification provisions of the JCPOA into routine International Atomic Energy Agency safeguards as applied elsewhere in the Middle East and in the global non-proliferation regime. Fifth, pursue U.S. civil nuclear cooperation with Middle East governments on terms that are realistic and which serve U.S. non-proliferation and regional interests. Sixth, promote regional arrangements that restrain fuel cycle developments and build confidence in the peaceful uses of regional nuclear energy programs. Seventh, strengthen security assurances to U.S. partners in the Middle East. And, eighth, to promote a stable regional security environment.

Now I won't go into all these recommendations here, but I do want to stress three common themes that kind of persist throughout all of them. The first is that the central test of non-proliferation in the Middle East will be on whether or not the JCPOA does what it sets out to do, whether it's able to constrain Iran's nuclear program as well as constrains Iran's ability to establish regional hegemony. This may seem like an obvious point, but it cannot be stressed enough that the decision to

pursue nuclear weapons capabilities at the end of the day is always going to come back to an issue of security dilemma and a sense of vulnerability. And so an inability to address that invulnerability through conventional means will almost certainly prompt at least consideration of nuclear weapons or at least latent nuclear weapons options by countries.

The history of nuclear proliferation in my view is in fact one of tit for tat armament in the face of overriding security imperatives. And both finished and aborted nuclear weapons programs bear the hallmarks of this security dilemma. And that's no less true in the Middle East. To the extent that the overall security environment can be stabilized then there will be less of an impetus to develop nuclear weapons or the option to pursue nuclear weapons by all states in the region, both countries outside of Iran and Iran itself. And it's for this reason that we emphasize the full implementation of the JCPOA, creation of this strong sense of deterrence. The establishment of security assurances, especially through mechanisms necessary for them to be seen as both existing and operational, not just simply words on a piece of paper, but something that is actually living and breathing and works on a day to day basis, and work to promote a more stable regional environment, especially by seeking a resolution of simmering conflicts.

But these latter two factors also point to another resident theme in our research, the need for the United States to be a player in the region. In my view, after decades of involvement in the region, we've yet really to settle upon an equilibrium for how the United States ought to operate in the region. In establishing this equilibrium the choice between involvement and remoteness is essential. States in the region need to have some sense of predictability when they are dealing with Washington; they need to have a sense of whether or not we're in it for the long haul and whether or not we will fulfill the obligations that we take on. In part for this reason we've recommended not only deeper security relationships, but also civil-nuclear cooperation with interested straights throughout the region. Of course such a relationship is not simply going to be about establishing a closer link between the United States and partners in the region. There is also a value about discouraging the spread of enrichment and reprocessing technology. Doing so may in fact require something different than the use of the gold standards as enshrined in the UAE-U.S. nuclear cooperation agreement, at least insofar as the words on the page are concerned. But the practical impact and the meaning of those words has to be the same in

order to create, again, this sense of equilibrium and this sense of fairness really in how U.S. nuclear cooperation operates.

We've also emphasized this imperative of closer intelligence sharing on both sides so that countries in the region know what we know and we're in a position to know what they know, and most importantly what they think they know. This is a critical distinction and our ability to be able to work with one another to both dispel rumors that may be contributing to a sense of security concern that isn't even there, as well as to confirm the reality of any suspicions that in fact exist. The reality is, however, that only time will tell. And even more important than how the JCPOA was negotiated and what its words say, will be how we transition from its restrictions and transparency mechanism into a new world in 10-15 years. And this I think is the third theme of our recommendation.

To put it bluntly, I think Bob and I believe that we should avoid this transition altogether to the extent that we can. The potentially easiest lift in this regard-- but I must stress it is not easy by any stretch of the imagination -- would be to try and incorporate into standard international monitoring and transparency practices those very tools that we worked so hard to put into the JCPOA. Some of these are just technical changes on the part of the IAEA and how it operates. For instance, the use of on line enrichment monitoring in uranium enrichment facilities. Other parts, however, may require agreements at the IAEA and even beyond on how nuclear related activities, particularly those that have some nexus with weaponization, are going to be dealt with in the future. But it's work that must be started now and it's work that's going to take a long time to complete.

A far more difficult lift would be the organization of a regional approach to the nuclear fuel cycle. And I'm not suggesting that we seek to establish a multinational fuel cycle in which Iran and countries on the Gulf Arab side of the Persian Gulf are able to work together on nuclear projects. I think that's probably something that's not terribly feasible. Instead we recommend that we find ways of crafting regional agreements or failing that, at least regional moratoria on aspects of the fuel cycle that others in the region would find threatening. Reprocessing is an easy one, because really no one outside of Israel is suspected of engaging in these activities throughout the Middle East. Enrichment would be altogether more difficult. But I think that there is a relationship that can be built between countries and Iran about holding fast on the kinds of restrictions that are already in place. For Iran this would involve the actual

possession of enrichment, but not in a materially useful way for nuclear weapons pursuits, and Iran agreeing to hold back the development of its enrichment capabilities. For countries in the region it would involve holding off on enrichment and accepting an at least theoretical asymmetry with Iran, but also avoiding the financial, political, and security investment that would have to be embarked upon and accepted if in fact countries were to decide to try and match Iranian capabilities in 10-15 years.

Frankly all of this may prove to be impossible to work out, but I believe that a multivariable approach, picking up various different aspects of these recommendations and bringing them forward has the greatest chance of success and reinforcing what we already think is a positive direction for non-proliferation in the Middle East. And I think it's our view the recommendations we put forward are an agenda of ambitions that ought to be developed further and considered by countries in the region, the United States, and our partners if we wish to actually ensure that the Middle East does not become a cascade of proliferation.

Thank you.

MS. MALONEY: Thanks very much to both Bob and Richard for outlining the analysis in the report, the recommendations in the report.

We're going to turn now to our two discussants to say a few words and ask them to speak actually from the table here.

Derek?

MR. CHOLLET: Sure. Thanks. Great to be with all of you this morning. And first I just want to congratulate Bob and Richard for what I think is a terrific report. I had an opportunity several weeks ago to read it in draft and really commend it to everyone here. So much has been written on the Iran Nuclear Deal over the past year, much of it slanted one way or another, and this report is sober, fair, self-critical, and solution oriented. So it is a real achievement and I congratulate you.

I concur very much with the bottom line that bob and Richard have talked about toady, that the result of the JCPOA and the Nuclear Deal has thwarted a proliferation cascade in the Middle East, at least over the next 10-15 years. But I also very much concur that there are a lot of uncertainties here and they are right to warn that ensuring implementation presents a series of tasks for the United States from Middle East partners and for our European allies for the years ahead. So the question is

what we can do to build on this deal and enhance it to ensure that it meets its objectives.

There are a lot of very smart recommendations in this report. I'm going to focus on those related to the security and military aspects of what we should be doing in the next 10-15 years. An essential part of implementation of this deal is to further deter Iran from its nuclear ambitions and reassure our allies -- and this is a process that is going to need constant tending and maintenance in the years ahead. Now the roots of this strategy really began eight years ago with the dual track of pressure and engagements. And maintaining pressure for implementation will be important and it must be a priority for the next president and his or her administration. That's of course economic pressure, but it's also going to be maintaining the military pressure. And I think there are four components of that, its presence, its planning, its capabilities, and its cooperation. And I'm going to quickly tick through each of those.

Starting with presence, as Richard and Bob noted there is, for better or for worse, fair or unfair, a lack of confidence right now perceived by many in the region in the United States. So that's why presence is important. It is important, will be important to maintain a U.S. military presence in the region. And I believe to be explicit about our intent to do so over the next 10-15 years during the period of the JCPOA. Folks should not be guessing whether or not we intend to maintain a robust military presence in the region, we should be very clear that we will do that.

Now seven years ago, alongside the diplomatic efforts to build the sanctions regime and the initial outreach toward Iran, that Bob and Richard were instrumental to, there was a concerted effort to build and maintain the U.S. military footprint in the Middle East in the wake of the withdrawal from Iraq. And the DOD, where I served in the last two and a half years of the administration, we called this "set the theatre", to ensure that the United States had the capabilities in place to execute all options if the president so ordered. We need to continue to "set the theatre" in the years ahead. We have that capability there today. We still have more capability in the Middle East than the United States had prior to 9/11, but that will come under increasing pressure from demands in other regions, in Europe, in Asia, where there is a high demand for more U.S. military presence. Also budget pressures here at home. Also the sense that the JCPOA has solved the problem and that therefore there's less of a demand for a U.S. military presence in the region. So we should commit to maintain that. That includes ground

presence, aviation, maritime, for example, like maintaining a carrier battle group.

Second, planning. Making sure, as Richard noted, this needs to be -- we need to ensure that this remains operational. We must maintain the military planning for all options. And a little history here is important -- when the Obama administration came into office the truth is the planning was not in the shape that we had expected it to be. That planning had atrophied in the 2000s for many reasons. Secretary Gates initiated a series of efforts that Secretary of Defense Panetta and Hagel continued to ensure that the U.S. military had done the necessary planning on a variety of scenarios to execute any options that the President ordered. And we made sure it was resourced and exercised. We cannot let that atrophy again. In fact I think it's even more important in the next 10-15 years to keep that planning tight. A critical component of planning is of course U.S. capabilities and the development of weapons to address the unique and hardened Iranian nuclear infrastructure. And a lot of resources and high level attention over the past several years went into ensuring that the U.S. maintained the military capability to address the Iranian nuclear threat. And we need to continue to do that work on weapons design and procurement in the years ahead.

And a final point is on our declarative posture. At the various leaders' summits of the last two years at Camp David and Riyadh, the United States, with our Gulf partners, has reiterated the Carter Doctrine in terms of the U.S. commitment to the security of the Gulf. I think it's worth exploring, as the report suggests, looking at expanding the nuclear umbrella in the event that Iran proceeds to breakout. And I think that's something the next administration should take a close look at.

I also commend the report's idea that it should seek prior authorization from Congress in AUMF if Iran violates the deal. I think it's a very good idea, unfortunately I think it's unlikely given that it's hard to see Congress authorizing the war that we're currently in, let alone one that's theoretical. But I think it's something we should definitely pursue.

Third, partner capabilities. We need to focus on enhancing partner capabilities in the Middle East. That's something that's been a big project of the Obama administration over the last seven years. Working with our Gulf partners and our Israeli partners to ensure that they have the means to protect themselves and deter Iranian aggression. There have been several record setting arms sales over the last several years and there's more on the table right now that needs to get over the finish line

soon. We need to implement the commitments made in the Camp David Riyadh leaders' summits, especially on greater cooperation on maritime, missile defense, cyber security, and SOF. And we do need an expedited process for weapons acquisition here in the United States. This is something -- when I was in office I worked very closely with Ambassador Tivon. It's a frustrating process to say the least. And I think this is something a new administration and a new Congress next year should take up as one of their first 100 day projects to come up with some new system while maintaining Israel's QME, but to ensure that our Gulf allies get the capabilities they need in a more timely fashion. We also need to recognize that some of our best partners -- and here I will also point out the UAE -- they should get major non NATO ally status. That's something that this report suggests that we do.

Fourth, cooperation. And over the last seven years the U.S. and our Gulf partners have created various fora to try to bring about a common conversation about the Iranian nuclear threat and what we are going to do together to try to address it. It started at a minister's level, of course has continued on at a leader's level the last several years. That's something that we need to lock in for the future. It's very important for these summits to continue. It fills a gap when you think of the U.S. engagement with other parts of the world, Europe, Asia in particular, and there are regularized leaders' summits where every year, sometimes more than once a year, the president of the United States will meet with those regional partners. We did not have that in the Middle East and I think that's what this process has started. And it's important for the next administration to continue it. This report recommends that in the first six months of the next presidency there is another one of these leaders' summits. I think that's a good idea. I also think it's important between now and the end of the year that there's another ministerial level meeting for the foreign and defense ministers with their Gulf counterparts to talk about where we are in these various projects that we've outlined for one another.

And although the report also notes that it might be a bridge too far at the moment to think about some sort of more binding security alliance like a NATO, I think there are some ideas from NATO that we could import into the conversation in the region. For example, it might not be Article 5, mutual defense, but it could be Article 4 of the NATO treaty, which is a consultative mechanism that's built into the alliance that if a particular partner feels threatened in any way they can call for immediate emergency consultations, and that's something perhaps we could look at as part of some sort of regional security

architecture.

Two final points. First, it's very important for us throughout the process in the next 10-15 years to keep the onus on Iran and to ensure that we maintain the leverage that we created together over the last 7 years where Iran was seen as the partner that was the outlier, was seen as the recalcitrant party. Whatever the United States does we cannot let our actions allow Iran to turn the tables and make the United States the recalcitrant partner in the eyes of the world and that the United States is the one that ends up the one isolated. That's very important. Secondly, this is not just an American project, this is a common project of the United States, our Middle East partners, our European allies. And so it's very important throughout this process over the next 10-15 years where it is going to be constantly tested, and there are so many uncertainties, that the United States keeps the world together on this. Getting to this point where we are today required one of the most intensive U.S. diplomatic efforts in our history alongside Camp David under President Carter, of the two-plus-four process on German unification, Dayton. It's going to require the same kind of energy, creativity, relentlessness in the next 10-15 years that it required to get to this point. The next administration is going to have to lead on this. This is not something that's just going to be about nice words, it's going to have to take on a series of very tough and relentless actions. And that's yet another reason why the choice we have in front of us over the next year in terms of the new administration is so important.

Thank you very much for your time.

MS. MALONEY: Thanks very much, Derek. And on that note I'd like to try to draw Ambassador Al Otaiba into the conversation. You've been one of the most articulate voices on the tension that this report gets to between the importance of the implementation of the deal in its strictest terms, but the broader recognition that the deal does not address the real challenge that Iran poses. And recently you wrote in a Wall Street Journal op-ed that the Iran we have long known, hostile expansionist, violent, is alive and well and as dangerous as ever.

Can you speak to how you see the early phase of the implementation going and the broader challenge that the region perceives from Iran?

AMBASSADOR AL OTAIBA: Thank you, Suzanne; and I want to thank Brookings for having me today. I also want to say that I largely agree with Derek in that this report is probably the most

objective and thoughtful report on the Iran deal I have seen so far. So thank you to Richard and Bob for all the hard work for putting this together.

Iran to most of the countries in the region is a much broader threat beyond the nuclear file. In fact, I think the nuclear file is probably the easiest part of the Iran threat to deal with. And I do agree with the report's conclusion in that for the next 10-15 years we have gotten ourselves a runway, a safety zone so to speak, that as we've taken off one of the most important issues, we believe that in the next 15 years it is going to be virtually impossible for Iran to get a nuclear weapon. Now, having said that, if we can now move to work effectively together as an international community to address the other part of Iran's behavior, Iran's support Hezbollah, Hamas, Shia militias in Iraq, Houthi rebels in Yemen, creating havoc in Saudi Arabia's eastern province, or Bah rain or Kuwait, then this deal will be judged as a good deal. If, on the other hand, we now fear risking this deal by pushing hard on Iran and sort of taking our foot off the gas and looking in the other direction, this deal will be largely judged as a bad deal. And I think this is not often taken into consideration when people discuss the deal. People look at the deal and say we've prevented Iran from getting a nuclear weapon, our job is done. No, it's not. I think our job is just beginning.

What I wrote in the article, this was an easy article to write because I wrote facts. I simply wrote what Iran has done in the last 10-12 months. They have repeatedly tested missiles in violation of UN Security Council. They have continued to support Hezbollah; they have continued to support the Houthi rebels in Yemen. And so what I wrote was how the region sees Iran's behavior. So the question remains, are we going to now be able to make Iran pay a higher price for this behavior or not? And the answer to that will largely reflect on how that deal is viewed.

MS. MAHONEY: And if I can maybe press you on that point, are you seeing from the Obama administration at this stage the sort of push back to Iran's behavior in the region that begins to rebuild some of the confidence that has been lost around the region about U.S. presence and commitment?

AMBASSADOR AL OTAIBA: I do, but I also see mixed messages. I do see a desire to push back Iranian influence, but at the same time I also see U.S. officials encouraging European businesses to go do business with Iran. And so there is this mixed messages that we receive. On one

hand, yes, don't worry, we have your back, the U.S. is committed to your security, but at the same time we're trying to open a broader avenue into Iran despite their current bad behavior. So I think if you ask anyone in the region they will tell you that they see two sides of the same coin.

MS. MAHONEY: I'm going to abuse my role as moderator for just a moment and pose just a couple of questions to our panelists before I bring it out to the audience and hope that at least a few of our distinguished guests sitting up front might have a few words to say when we do that. But I want to speak first to the assessments within the report and then get to what, as Derek said, the solution oriented aspect of the report, which I think is really important.

In terms of the assessment, the one area that seems to be a bit of a wild card at the moment is just the internal politics of Saudi Arabia. And I wondered how confident you are that the changes we're seeing in Saudi leadership and in the dynamics within the royal family will mean for the durability of the assessment that in fact the Saudis will prioritize the vital relationship between the United States and Riyadh in a way that would deter them from taking any sort of other actions in terms of proliferation.

MR. EINHORN: Well, it's clear in many ways that the Saudis are concerned with current U.S. leadership. They are acting more independently, more assertively, especially this generational change we see with the Defense Minister Mohammad bin Salman, apparently reportedly in the lead in taking a much more assertive regional role, especially in the campaign in Yemen. And in our research Richard and I heard many regional countries concerned that the Saudis may be overreacting and may be stimulating instability and even blow back to their own interests by doing this. It's a very delicate balance I think the U.S. has to pursue and is trying to purse in the Obama administration. On the one hand, showing our support for the security interests of our partners, including Saudi Arabia, but on the other hand, not providing too much support for actions that the U.S. believes may be going a bit too far. I think the U.S. knows, and certainly President Obama has stated that it's going to be very important in the long-term to first of all achieve a balance in the region between Iran and its supporters and the Sunni Arabs that are concerned about Iranian behavior. Establish this balance with a strong U.S. credible military presence.

But there's a second part of that dual track approach. After demonstrating our

commitment it's to encourage some kind of regional accommodation. It's difficult politically to do that in the U.S., to seem as if we are mediating between our traditional partners and the country that's caused so much instability in the region, but I think unless we can promote perhaps an accommodation, a reconciliation, goes to too far, but at least some kind of balance so that both Iran and the Saudis feel that they can stand down a bit in terms of military activity in the region. That's going to be very important.

The Saudis are demonstrating their independence in a number of ways, not just in their campaign in Yemen and their support for elements in the Syrian civil war, but also engaging in discussions with other suppliers of arms and potential security cooperation. There have been meetings with Russia and other countries. But what Richard and I learned, we met with very senior Saudi officials, including in the Ministry of Defense, was that at the end of the day the Kingdom relies on the United States for its security and is going to be unwilling to jeopardize that by flirtation with other suppliers. It knows no one else is going to be both able and willing to fill in for the United States. So that I think is a stabilizing influence, but the U.S. has to be a good security partner and engage in activities along the lines of what Derek has emphasized.

MS. MALONEY: And let me just pose one additional question really to any of you who would like to take it on. You know, one of the key aspects of the deal was the sunset provisions within it. Key and obviously very contested on the part of many here in Washington and in the region. You've talked in this report about using various aspects of the deal, kind of routinizing them and making the Iran deal a sort of platform for non-proliferation activities across the region and potentially more broadly. But clearly the timeline is going to matter because the clock is already ticking on the expiration of the various provisions in the deal.

What are the key steps that particularly a new administration might want to be working on expeditiously in terms of setting the bar high and trying to do the best possible in terms of ensuring that some aspects of this deal survive and endure well beyond the 8, 10, and 15 year expiration dates.

And I'd invite any of you to maybe tackle a few words on that.

AMBASSADOR AL OTAIBA: Can I tack a part -- I'm not going to answer that (laughter) because that's a question for the administration. But I'd also like to tack onto your question is what happens if it's not done? What happens if at the end of 15 years those restrictions are lifted and the exact

opposite happens and Iran does ramp up its enrichment capacity, does ramp up its R&D capacity, and the restrictions are lifted off, Iran is strong economically? I think that's an important question to address too because it goes to the heart of the cause of the report itself.

MR. NEPHEW: So I'll take a swing at answering both of those questions. I mean I think the reality is that a lot of the steps that are part of the JCPOA are within the ambit of the International Atomic Energy Agency to incorporate more generally. Things like on line enrichment monitoring, you know, which is a technology that safeguards inspectors use to see what's going on and what's going through the pipes. That's a very straight forward way for an inspector on the ground to be able to say yes, what the country is telling me they're doing is what they're doing. And the degree to which the IAEA can routinize use of that sort of technology, especially with the combination of remote monitoring and transmission of information, you know, that gives you a lot of confidence that what you think is going on at the plant is going on at the plant. And it may seem very overly technical and a little bit too pedantic to focus on things like that, but frankly those are the kinds of steps that give you confidence to know when breakout is starting. Because like it or not at the end of the day Iran's nuclear weapons ambition are going to be hamstrung or facilitated by its fuel cycle capabilities and it presently has and what it will have in the future. If you know what they're doing at any one particular moment that gives you greater confidence that you can react quickly. And I think if there's one unheralded accomplishment of the deal, it's not just that it extended breakout times from two to three months to a year, it made sure that entire year was usable for any administration seeking to counter it, either through military force or diplomacy, or through a quick application of sanctions.

So it's an important step that it allows I think countries in the region and beyond to know that what's going on in that enrichment plant is still what's going to be going on alter on. And I think you could see value for bringing that technology and similar safeguard measures into the broader, you know, global context.

I think there are other things, and we talked about in the report, that would be useful. Prohibition on some activities that are directly related to weaponization. I think the JCPOA usefully highlights a few key pieces of technology like the systems it used to validate a nuclear explosion is going to work when you test a warhead, X-ray cameras, and so forth, that you could be able to have broader

expert control rules or agreements on the parts of countries not to pursue those capabilities, you know, for the very fact that they are so destabilizing and risky. Again, I'm not suggesting that all of these things are easy, but it seems to me these are fairly straightforward technical fixes that you could bring to bear.

Which brings though to the question of let's say that we're not able to bring forward all of these technological fixes and legal and infrastructure fixes to how nuclear programs are done. I don't think the Obama administration every foreclosed the possibility of responding to an Iranian increased enrichment program in 10-15 years in any way that it might deem fit, you know, including use of military force, return to economic sanctions, and so forth. And I think the Iranians have some awareness that there are vulnerabilities in that regard. To some extent actually the reintroduction of Iran back into the global economy is going to only increase their vulnerability to the possibility of economic sanctions. And for those who say, well there's no chance that we'll ever get that kind of sanction regime back against Iran, I would point to the sanctions regime we have against Russia. Russia is by far a much more significant oil producer, we still have sanctions on Russia in response to Ukraine and those sanctions are doing damage to the Russian economy. I don't think there's any reason to believe that you couldn't reintroduce similar sources of measures against Iran if you wanted to go the sanctions path. And if not, if military option is what you choose to pursue, then we have a better understanding of where their nuclear sites are, what's in them, what they're capabilities are.

So I think really all options do remain 10-15 years from now.

MR. EINHORN: If I could add to it, Derek; more to say. This is a critical matter. The question of what happens after 10-15 years. This is one of the areas that has been focused on most by the critics. I think it's important to recognize that, sure, Iran legally can ramp up its capability to produce fissile material after 10 and after 15 years. It legally can do that as part of the JCPOA. The question is will they do that. They say today that they will do that, that they're committed to have an industrial scale enrichment program in order to produce fuel for their future fleet of nuclear power reactors. But how realistic is that? The reality is that Iran is not going to be able to produce its own nuclear reactors for many, many years, for decades. It will rely on foreign supplies. And the Russians in particular, you know, have been and will continue to be I think their major source. And the Russians insist on providing fuel for all the reactors that they sell to Iran, which eliminates any persuasive rationale for Iran to have an

industrial scale enrichment program. I think that needs to be pointed out. There is no legitimate peaceful justification for Iran to ramp up its programs. And we should be looking at further incentives to convince Iran that it doesn't need to do this.

Also, technically, it's not at all clear how Iranian research and development on new centrifuges will go. Will it even be in a position to ramp up its capability to the extent that it says it's committed to do? We will see, but we should adopt policies to try to discourage them from building up the capability to the extent that is legally permitted.

Also, there's a kind of misperception I think of how the JCPOA works. Yes, Iran can legally ramp up its capability after 10 and 15 years, but it's not -- and let's say it decides to do that. It has a good R&D program and it ramps up its capability, is it free to go ahead and use that capability to build nuclear weapons? No. The JCPOA, as well as a continuing Iran adherence to the non-proliferation treaty forbids them from doing that. Plus, after 10 and 15 years all of the very intrusive monitoring arrangements under the JCPOA will remain in place so that if they decided to breakout of the JCPOA and NPT and go for nuclear weapons we would be able to detect that and we would have the opportunity to intervene if necessary by the use of military force to stop them. So while many critics speak as if it's virtually automatic that after 15 years we're going to have a nuclear armed Iran, it's far from automatic and we have tools to intervene and stop them.

MR. CHOLLET: If I could just very briefly build on what Bob just said, because I think -- and, Yousef, this gets to your question about what happens in 10-15 years and is Iran just going to flip the switch. And you used the phrase "runway" or were in a zone now, and I think it's very important to see the next 10-15 years that way because as Bob and Richard have suggested in their report, and as I firmly believe, we can't be frozen in time over the next 10-15 years and pretend that this deal has just done the job for now and we'll kind of punt -- to use another sports metaphor -- for another decade plus. It's really how we use this moment that we're in. And a lot of what Bob and Richard have suggested, what I've talked about, are ways that we can build up this muscle tissue of regional cooperation, dialogue, capabilities development, so that as we get closer to the timelines as laid out in the JCPOA we can make a common judgment of where we are and what needs to come next. And in the meantime we're doing a lot of things that are hopefully going to deter and influence Iranian behavior on all the issues, Yousef, that

you've rightly pointed out that are not addressed in the JCPOA that really, really concern all of us. And I think that the key to that is not taking really any option off the table if Iran breaks out or if Iran chooses the next 10-15 years hence to take some steps that we would deem as in our security interests.

AMBASSADOR AL OTAIBA: I think that brings me to my earlier part which is what will determine a lot of these questions we're debating up here is simply how this deal gets implemented over the next 10-15 years. If this deal is implemented as strictly as it is written I think it will give everyone the comfort and reassurance that they see and there will be less worry what happens at the end of 15 years. But again if we say, oh, no, this is a really good deal, we don't want to risk it, we don't want to upset them, they might walk out, then no, we're going to have a problem.

So I think how we address it, how we deal with it, is crucially important for the sake of the deal and for the sake of the countries outlined how they will react throughout the deal.

MS. MALONEY: Okay. We're going to open it up to the audience in just a moment. To begin with if we could get a microphone up front, I have at least one hand that was raised even before we began, that of His Excellency Javier Solana, who is both a Brookings distinguished fellow and has an enormous amount of direct experience in negotiating with the Iranians as the lead European Union diplomat during the early phases of the Iran nuclear talks.

Javier.

MR. SOLANA: Thank you. Thank you very much for the fantastic explanation. Thank you very much for the report. Although I have not had time to read it completely I think it's a very fundamental piece for everybody to read and if possible to agree on.

I think that the report with all the detail that you have given, I think it's a good guarantor that the situation very likely will develop in the right direction. Of course there are doubters, but let me say that we have to repeat, and repeat many times, that this agreement is not an American agreement to resolve a problem. It's an agreement by the international community as a whole. And to maintain that to my mind is absolutely fundamental. This agreement was signed in a very difficult moment. The tension among the big powers was already there and it was possible to do it because proliferation is an important issue for everybody, and I think that should be read like that. And I think also it should be read when we got involved in this arrangement, trying to get agreement, we thought that to get resolved, at least for a

long period of time, the nuclear issue it will basic element to have serious negotiation for security arrangements in the region. With the threat of Iran with nuclear weapons it would be absolutely impossible to have an agreement originally.

Now, we have the agreement, we have, and everybody has agreed, that we have 20 years in which we can be safe if all the things have been done, but I mean nothing that has been said within here, 20 years is to act, is just to be with open eyes, et cetera. But I wonder how we are not going to be able, the international community, in 20 years or in 15 years to get an agreement, to reach it. I think that we are going to learn a lot after treaty, et cetera, but everybody's going to be so exhausted that will it be possible -- probably if we put enough energy -- to get an agreement regionally. And for that is very important to maintain the Chinese and to maintain the Russians on board. And the Chinese are very interested in the peace in the region. The Russians would like to be part of the deal, but they are very interested also in being part of (inaudible).

So I get after this conversation, this debate, much more relaxed about the component nuclear. Let's relax about what the ambassador has said, the behavior of Iran. But I think we have to put all our energy, political and diplomatically also, to get this arrangement that will guarantee security in this region. And that is going to be necessary after three years. Therefore let's get to work on that direction as much as we can.

MS. MALONEY: Thank you. Ambassador, would you like to speak to the viability of any kind of regional security dialogue that would actually incorporate Iran?

AMBASSADOR AL OTAIBA: I think it's inevitable. At some point we are going to have to sit down and discuss these issues. And I think we've had, as the GCC and even as the UAE alone, we've had these discussions in the past. We cannot continue to live in this kind of environment without hopes or at least a path for a solution. The problem is we see absolutely no desire from the part of the Iranians to do that.

The conversations we always have with our friends here in the U.S. is how are we going to sit down and why -- how are we going to send signals for Iran to sit down and have discussions on Syria and on Yemen. And my question to them is why is the burden solely on us to send a signal? What has Iran done to send a signal that they are willing to sit with us? What positive, collaborative, friendly

message have they sent to us that says, yes, part of the responsibility falls on them. We've seen nothing but more support for terrorism, we've seen nothing but more interference in our internal affairs, we've seen nothing but more missile tests, and I'm not even mentioning the rhetoric, the tweets and the statements by the Supreme Leader. So while we recognize there's a desire, it's also important to know that there is another side of this equation and they have to display a willingness to sit down and talk to us about resolving Syria and resolving Yemen and resolving all the challenges that we face in our part of the world. And like I said, I don't see any of that at the moment.

MS. MALONEY: Thank you. We have about a half an hour for questions. I'd like to take perhaps three a time just so that we can get as many of you on the boards and responses from our speakers here today. So if we can have I think two on the outer side of the row there and then one up front.

MR. JABBARI: Your Excellency, you --

MS. MALONEY: I'm sorry, if you wouldn't mind standing and just introducing yourself.

MR. JABBARI: Yes. Your Excellency, I'm Cyrus Jabbari; I'm here with my class from USC. We're taking a six week course studying nuclear non-proliferation. It's an honor to see you.

Iran has all but increased its export of militarism in the region. Do you believe that any measures beyond a policy of behavior modification must be taken to address the other parts of their behavior?

AMBASSADOR AL OTAIBA: So your question is what should policy be towards Iran going forward? It's a very difficult question to answer, but I think the short version is we need to see a combination of carrots and sticks. We need to see carrots when there is good behavior and we need to see sticks when there is bad behavior. But as long as any country, and not just Iran, feels that they can continue to behave a certain way, and when there's no price associated when there's bad behavior, it's going to be very difficult to work in a collaborative approach.

I have two young kids and if one of my kids does something wrong and I don't punish them, guess what? They're going to keep doing it. And so I think we're at a point where now that this nuclear deal is behind us I think we need to rethink what our approach towards Iran should be. I understand that there is a moderate side in Iran and that there is a desire to work with that moderate

element. And believe me, we have that desire as well. I mean let me be clear, there's no country in the region that will benefit or be better positioned to work with Iran if Iran behaves responsibly than the UAE. Just imagine the economic cooperation, the investments, the energy, the cultural exchanges that we can have. But again, I don't see that moderate side in Syria policy, I don't see that moderate side in Iraq policy, I don't see that moderate side in Yemen. I only see that moderate side of Iran on this deal. The moderate side came, negotiated a deal on the nuclear program in exchange for sanctions relief. I would love to see that type of moderate deal making approach in Yemen, in Syria, in the regional problems that we are still dealing with. So I am not in a position to sort of advise what U.S. policy should be, but that's how I would look at it.

DR. GLASS: Thank you. I'm Professor Wayne Glass of the University of Southern California with these incredibly brilliant students from the University of Southern California in a six week course on nuclear non-proliferation. Mr. Ambassador, good to see you again. It's a pleasure to be here.

I'm going to follow up on that question exactly from what you just said. Is there room for the U.S. government to engage in the region using soft power tools or smart power tools to sort of move the iceberg given all of the ambiance that you just described with a lot of posturing and a lot of leverage and a lot of military preparedness that are all part of the tool box. Are there other tools in that box of the U.S. government to pursue with respect to the region?

AMBASSADOR AL OTAIBA: Since I am the only non-American on the panel I would like to defer that question to my American colleagues (laughter).

MS. MALONEY: And we'll just take I think two other questions and try to group them together. So if we can get the microphone up here to Shibley Telhami, and perhaps in the back.

MR. TELHAMI: Hi, I'm Shibley Telhami, Brookings and the University of Maryland. My question is to Derek. Derek, you said that the U.S. should make clear up front that the U.S. wants to maintain what you called a robust military presence in the region. So I'm just wondering two questions about that. So what are the elements of that robust military presence? Just keeping the configuration of forces that we now have at the same levels, expanding, reconfiguring? And, second, is that principally aimed at -- is it perceived Iranian threat or are other threats at play here when you're thinking about what is a robust military presence?

MS. LABOTT: Thank you. Elise Labott with CNN. I'd like to follow up on Bob's comments about the accommodation in the region. Ambassador, I'm wondering what you think of that? I think this follows on what the President was saying in his interview with The Atlantic about Saudi Arabia and Iran having to share the region. Given what you were talking about, about the fact that eventually you'll need to sit down with Iran, I mean how do you see those comments and how do you see that playing out in a way that eventually -- is there any point or any possibility that that could ever happen?

And when you look at the report when it talks about a possible AUMF for military force, does the UAE support such a move? And do you think this portends a possible military coalition against Iran if there was a violation and a breakout capacity?

Thank you.

AMBASSADOR AL OTAIBA: I think any policy question one needs to address really -- looks different depending on where you sit. If you are sitting in Washington, your economy is doing well, your military is strong, you know, Iran is not a threat if you are sitting 7000 miles away. I think it looks vastly different when you're sitting in Abu Dhabi or Riyadh. And so I think the President's comments in terms of sitting down and actually engaging Iran, they're not unreasonable, but I think if you are in the region today and you are witnessing current Iranian behavior in your own neck of the woods, it's very difficult to see a conversation where that takes place in the current environment. And again, if we are to engage Iran, Iran has a responsibility to also engage with us, and I don't see any behavior that indicates that.

So in theory, it is a good position to have and it's not unreasonable. But I think given the current climate and the environment we are dealing with, I think it's very unlikely.

On the AUMF question, I don't think I'm the right person to answer that. I think that's a domestic U.S. question and again I'll defer that to my American colleagues up here.

MR. NEPHEW: So just picking up on the question about soft power tools and things that we can do to move the iceberg here. I mean I actually think that's where a lot of our effort ought to go in the next administration. It's the simple stuff, but it's the non-flashy stuff that we're going to need to spend a lot of time on, rebuilding relationships and senses of trust in the United States of our Gulf Arab friends and partners. So that way they believe us when we say that we are going to stand with you and they trust

that they can rely on that assurance. It's simple. You can say those words very easily, but actually getting back to a sense of real trust and a sense of real commitment on the part of the United States is going to take a lot of effort, it's going to take a lot of commitment of resources. Derek I think spoke very well to the four different prongs of that on the military side. But it's also going to take more people. The people interactions is going to take refreshed diplomatic interactions, and against the sense that between the United States and our partners in the region, you know, there may be differences of view, but those are healthy differences of view not shatter points for the relationship.

Part of that will also come in the frankly sweeping economic reforms we're seeing in Saudi Arabia, and to a lesser extent in other places, to try and reform really what a lot of the societies and economies look like in the region. I think frankly the UAE is a good light to follow for a lot of folks in the region in terms of developing non-oil sources of income, developing ways in which your population can have useful productive employment and feel like they're part of the system and help push the system forward and help push the country forward. Those are the things that we're seeing really in Saudi Arabia now. And the success of that vision I think is going to be really important to the United States and to our relationships more generally to ensure really that Saudi Arabia in particular feels confident both externally and internally as it moves forward.

And I think that there is a corollary really to the Iran case. I agree completely with the Ambassador that Iran needs to be challenged and confronted in all the various different aspects of its hostile policies in the region. And our report speaks to that. And that includes the use of economic sanctions where necessary and where appropriate. The flip side of that, and this goes to the question of how you encourage the moderates to take the wheels of the policy in Syria and Yemen and so forth, they need to be able to demonstrate at home that the JCPOA was worthwhile, that it delivered the results that they had paid for and that they had made these nuclear concessions for. I think there's a fundamental tension there. And this goes to this nervousness and maybe even hesitation that even some people in support of the deal had when they see the Secretary of State spending a lot of time in Europe saying European banks do a lot of business inside of Iran. But it speaks really to the desire and the imperative on the part of the United States to ensure that Iran gets what it pays for so that those moderates in the regime can say when we strike deals with the United States and with the broader international community

we see results. And we don't see results when the security hardliners go ape in Syria and Yemen and so forth. That's a complicated tension to reach. And I'm not suggesting that there isn't going to be a time where we're going to overcorrect and be too hawkish and overcorrect and sometimes be too dovish in terms of giving Iran what it paid for. But struggling with that tension is something we have to do and it's something that we're going to have to keep doing for the next 10-15 years so that we do reinforce the position of people in the system who want change.

MS. MALONEY: I will not that that is an interpretation of Iranian politics that could be contested if we were here with a different focus, but let me turn it now to Derek who was specifically asked several questions.

MR. CHOLLET: Sure. But if I could, just to pile on what Richard said. This gets to the point I ended with, which was ensuring that we keep the onus on Iran throughout this process. And this actually gets to what Javier Solana was talking about in that if we come to a point where in the course of the next 10-15 years we judge that Iran is violating the deal, we need to be in the best possible position -- and when I say "we" the United States, our partners -- to make the case that that's why we need to re-impose sanctions and that's why we need to take certain steps.

The U.S. was out of position, I would argue, eight years ago to make that case internationally. We weren't getting much cooperation from the European partners because they didn't believe we really wanted a deal. And now the world needs to believe that we want this deal to work on the terms that it was negotiated, but therefore we can't be seen as the party trying to undermine the deal, because therefore it's going to leave us alone and isolated.

On the -- and I should just second my endorsement of the smart power soft power elements of this, not just on the JCPOA specifically, but overall when it comes to influencing the Iranian regime. I absolutely agree that that's critical. U.S. tools are not what they should be in that department despite the face we've worked mightily on it for the last decade plus to try to improve our capabilities there. And therefore now I'm going to pivot to the military side again because I was asked directly about that.

I think certainly what a robust presence means, there's not a magic number that I want to outline. Certainly part of that is symbolic, it's a reassurance, it's a show of U.S. presence. I should note,

though, that for some in the region there's a paradox because even though they want the U.S. presence and they want that reassurance, they don't want to advertise it too much. There are still some places where journalists -- when the U.S. secretary of defense has to visit a certain U.S. military facility in the region the journalist needs to write the byline, somewhere in southwest Asia even though there are hundreds, thousands of American service men and women there helping to protect the region. So I think we've got to get that right for starters. But I also think it's more than just optics and the sense of psychological reassurance. We need to be able to execute on options. We need to have the force presence in place should the President decide that Iran is breaking out, that there is cheating going on, the kind of cheating that we saw that Bob and others helped uncover in 2009, that we could take action if necessary. And that's not just going to happen by inertia or just kind of routines. I mean as I said that force presence is going to get pulled in different directions because European allies are going to want more of it to reassure them on Russia, Asian allies are going to want more of it for the South China Sea, budget cutters here in the United States are going to want more of it for spending elsewhere. So it's going to take a lot of effort to maintain that in the next 10-15 years, particularly if -- and this is the kind of ironic thing -- if the agreement is seen as going well there will be an impulse here in Washington to say well, look, this is succeeding so why should we make the sacrifice to keep this force presence in the region.

MS. MALONEY: Let me open it up to one more round of questions. We have about 15 minutes left. If I can get the microphone up here. I'd like to ensure we have a balance in terms of speakers from both front and back. Right up here. Sorry, the gentleman in the second row, or third row right here.

MR. GILES: Greg Giles, SAIC. Question for Bob and Rich. In your meetings in Riyadh, for example, what were you hearing from the Saudis about possible next steps in U.S.-Saudi civil nuclear cooperation?

MS. ELASS: I'm Rasha Elass, the Washington correspondent for the Arab Weekly. My question is for the authors of the report, and a second question for you, Your Excellency.

My question is about the international thermonuclear reactor, experimental reactor in France, and I understand that it's part of the agreement that Iran will have the opportunity to get involved

in projects like that, and I know they're pushing to become involved. So what's your perspective on how this might solidify or undermine the agreement?

And my question to you, would the United Arab Emirates consider becoming a partner in this project? I know they're always looking for new funding.

MR. DAVIDSON: I'm Dave Davidson; no affiliation. In light of the economic and political situations in Pakistan are there any disincentives for them to not cooperate with Saudi Arabia in moving forward in nuclear development?

MR. EINHORN: Let me say something about the state of the U.S.-Saudi discussions on a civil nuclear agreement. Discussions have taken place on and off for a number of years. And they're stalemated for the moment. You know, the Saudis are prepared to meet most of the critical requirements, U.S. requirements for a civil nuclear agreement, and it has incentives to conclude an agreement with the United States. The Saudis have an ambitious nuclear energy plan, they want to have 16 big power reactors, they'd like to get started as soon as they can. But the U.S. has, at least for the time being, been adhering to the so called gold standard. Richard alluded to it before. The gold standard was reached in the U.S.-Emirate civil nuclear agreement in which the UAE agreed to foursquare all enrichment and reprocessing permanently essentially. Not enrichment of U.S. origin material, but throughout the country. It did so because it saw no particular need for enrichment or reprocessing in its civil nuclear energy program and it realized that if it pursued enrichment or reprocessing this could stimulate others in the region to follow suit. We thought it was a very responsible approach.

So the U.S. administration has been trying to emulate that positive outcome, including with Saudi Arabia. But the Saudis are reluctant to foreclose legally all of its fuel cycle options. Not really because they're determined to have enrichment or reprocessing. When Richard and I were in Riyadh and spoke to senior Saudi civil nuclear energy officials, they told us that they have no current plans for enrichment or reprocessing. They didn't want to foreclose the option all together in part because perhaps some time in the distant future they would see a need to do that, but largely for political reasons. They didn't want to see themselves foregoing an option they believe was available to them under the non-proliferation treaty.

So, so far there's been a stalemate there. In our report, and take a look at one of the

recommendations, we say the U.S., with its civil nuclear cooperation partners, should try to get the strongest possible constraints on indigenous enrichment and reprocessing. But when that's not possible, for a variety of reasons, including political reasons, the U.S. can afford to step back a bit and settle for something less, but something that gives us confidence that our partner won't pursue enrichment and reprocessing. One idea was to, you know, conclude an agreement that legally would allow them to enrich or reprocess, but would allow the United States to withdraw from the agreement and stop nuclear cooperation with them if they elected to go that route. And this would be a strong disincentive for them to do that.

There are a number of ways you can go ahead with this, but our view is take a little more flexible approach and still have confidence that our partner will not pursue these destabilizing fuel cycle capabilities.

I mean we really tried to get at the ground truth on this and it's impossible to get. You get some Saudi officials outside of government saying yeah, that there was this understanding, you have others saying no, there was never an understanding. You have the Pakistani government officials at very high levels say there is no such understanding. But we think there are already strong disincentives for Pakistan to cooperate. Pakistan is very eager to be seen as a responsible non-proliferation supporting country. They want to get into the so called non-proliferation mainstream. They've got a lot to live down. They have the history of the A.Q. Khan Black Market Network. And, you know, this was really quite a blemish on their copy book.

But in order to get out from the -- we call it the doghouse in our paper -- they really have to demonstrate responsible behavior. And any indication that Pakistan was thinking about cooperating with the Saudis in this field would essentially disqualify them from being seen as a mainstream non-proliferation country and achieving some of the benefits that would entail. Also Pakistan wants better relations with Iran. I had a number of high level conversations with the Iranians and they're not prepared to do anything with Saudi that would totally harm any prospect of better relations with Iran. So I think there are already important disincentives. But I wouldn't be surprised if American officials from time to time would warn the Pakistanis that they really must not think about sharing technology, sharing equipment, or anything else that would move the Saudis closer to a nuclear weapons capability.

MR. NEPHEW: Just on the issue of ITR and Iranian interest in being a participant in ITR and some of that work, you know, I think the Iranians told us very clearly in the negotiations that they wanted to be able to have advanced civil nuclear energy capabilities and they want to be part of the international scientific community in this regard. You know, we looked at the issue of ITR and we were able to demonstrate to our satisfaction that from a proliferation perspective Iranian involvement was not a problem. And certainly if you think back over the course of the last 10 years or so of U.S. non-proliferation policy towards Iran, it's been civil nuclear energy, sure, particularly if it doesn't require the use of the fuel cycle inside of Iran. The Bush administration even accepted the idea of Bushehr being completed because it had material being delivered and material being taken back from the reactor.

So from the perspective of Iran pursuing civil nuclear energy possibilities and advanced technology that would give them the possibility at some point of having energy without requiring the fuel cycle, I think that's something that we don't see as a negative, we see that as frankly a positive. And it speaks to one of the points that Bob made just a moment ago about what will happen at that 10-15 year mark if Iran is still trying to fuel 10 1000 megawatt reactors on its own, that's potentially a problem insofar as the fuel cycle I concerned. If instead they're looking at advanced technologies that don't require that, then I think that's to our collective benefit.

But the project itself was vetted from the perspective of U.S. non-proliferation concerns. And the fact that it's in the JCPOA I think is conscious of the fact that we didn't see the same sorts of concerns there.

I'm going to defer to the Ambassador to speak to UAE.

AMBASSADOR AL OTAIBA: I apologize, I'm not familiar with the project so I don't -- I'm not sure what our position on it is. But I'll look into it and come back to you.

MS. MALONEY: I'm going to give just one last wild card question since we have just a few moments left, to the young woman, second in midway through the room.

MS. MEREDITH: Hi, it's Emily Meredith; I'm with Energy Intelligence. I just have a point of clarification for Ambassador Al Otaiba, and that is could you please go into what your view is of your obligations under the 123 agreement with the U.S. now in light of the JCPOA? Not your intentions, but your obligations.

AMBASSADOR AL OTAIBA: Obligation does not change. As Bob mentioned we created a gold standard for a reason. We like the gold standard, we like being associated with the gold standard. And so despite what has been said in the media repeatedly we are not planning to change our position. In fact, we adopted this gold standard particularly to be used as a model going forward. It's unfortunate that we haven't been able to replicate it anywhere so far, but that intention and the regulations and commitments we've made and support has no plans to be changed.

MS. MALONEY: With that will you all join me in thanking Ambassador Al Otaiba, the authors of the report, Bob and Richard, and Derek Chollet. (Applause)

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CERTIFICATE OF NOTARY PUBLIC

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

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