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Transcript

Nuclear Iran: Negotiating a Way Out

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Richard Dalton:

Ladies and gentlemen, thank you very much for joining us. I'm Richard Dalton and I shall chair this session.

It's now almost certain that there will be talks starting on 25 February in Kazakhstan, and that the drought in at least talking about negotiations that has lasted since the final round in June 2012 – with one or two small exceptions – is now finally going to break. But it's even less clear now than at other times whether both parties will bring fresh ideas and will bring imagination to the task.

I'm going to ask Dr Patricia Lewis to open the proceedings. She, as you know, is director of the International Security programme here at Chatham House, with a background in nuclear physics and arms control. She has published widely on all aspects of arms control and disarmament and we're lucky to have her to set the technical scene for this negotiation.

Patricia Lewis:

Thank you very much. It's a great pleasure to have with us Seyed Hossein Mousavian and I'm honoured to be asked to just open up. I've been asked to address some technical issues, and what the situation is *vis-à-vis* Iran's capability.

As you know, Iran has been enriching uranium and for the most part has been enriching uranium to less than five per cent – that's called low-enriched uranium. According to the latest IAEA report, there's over 7,500 kilograms there. They've also been enriching to less than 20 per cent – that's still classified technically as low-enriched uranium – 20 per cent is the cut-off for that classification. So they have been enriching to just below that some 230-odd kilograms, with quite a lot of that in storage.

What does that mean? What does all this enrichment mean? In order to use uranium in most reactors, you need to enrich it to about five per cent – that's the general rule. But for some reactors, particularly for those producing medical isotopes or research reactors, you need it to be about 20 per cent, or just under 20 per cent. Indeed, Iran does have the Tehran Research Reactor that does produce important medical isotopes and it's Iran's stated intention that this material would be used in that research reactor. Now, whether they are producing more than enough, whether they intend to produce more than they require, is one of the big questions that we have.

However – and this is a really important thing to understand – the enrichment of uranium is such that it isn't a linear process. So going from five per cent to 20 per cent and then the next step up to 90 per cent, which can be used for weapons, is not an equal number of steps in terms of time and effort. The effort it takes to enrich to five per cent is quite high compared with the next steps up to 20 and then 90. So it isn't as if we've got a linear progression in which they've done five per cent and then 20 per cent and then it's a long step up to 90 – it's not like that at all. It's a curve that looks like a hockey stick – it goes up very dramatically, very quickly. So enriching to just below 20 per cent has done the large share of the work that it would take to get to 90 per cent.

Now having said that, all of those kilograms of course would shrink down quite a bit. The IAEA has 25 kilograms of high-enriched uranium that they have as what they call their 'significant quantity' for nuclear weapons. Iran is nowhere near that as yet, but they certainly would be able to within a fairly short period of time. That's one thing that is under great debate at the moment.

So what does it mean? Does it mean that if they've gone up to 20 per cent, they can easily get to 90 per cent and that means that they are determined to develop nuclear weapons? That may not be the case. Does it mean that they may have the full capability and remain ambivalent or remain on the hedge, as it were, on the fence? That's a possibility. Does it mean that they want the capability with options for later? Or does it mean that they just want the technical capability, to demonstrate to themselves that they can do it, and perhaps to their neighbours and others, but then not do it at all? I think these are all very important questions that we need to retain in our heads, because technically each one of those is quite possible at the stage that they're at now.

I think we tend to rush to judgment because we imagine what we would do in those circumstances. But the question we do have is: why go down this route of enrichment? Why would you do that, when there is already enriched material that you can buy? Is it available for Iran to buy? That's a question I think the Iranians would have. Certainly from their past experience it might not have been so easy. Is it something that could be provided in the future for Iran? And why develop so many centrifuges that are now in position to step up and ramp up production, if you're not going down the nuclear weapons route? Because the amount that would be provided for the research reactor would then be exceeded. So these are very big questions.

The IAEA also has questions about some of the other facilities, particularly the facility at Parchin, in which they say that there may have been military activities connected with the nuclear programme – since 2003, is their question. In 2003 the general sense from intelligence agencies was that Iran had stopped its military activities in this sphere; however, there are some big questions left. The IAEA has wanted to go in to look at Parchin. Iran says that this is a military base and the IAEA has no business being there. I will leave that to Hossein Mousavian to address. But again, these are very big questions that they have.

Iran is not yet implementing the (IAEA) Additional Protocol, which is something that we need to be concerned about. All countries should be implementing the Additional Protocol, which gives the IAEA information and access that they require to verify that all of the activities would be peaceful.

So we have been for quite a while now at an impasse. The IAEA refers not only to its own resolutions in the board of governors but also to UN Security Council resolutions. Iran refers to the Non-Proliferation Treaty (NPT) and the right to develop peaceful uses of nuclear energy. We seem to be stuck in that.

Talks go on. We have now heard about the talks that will take place on 25 February. What are the possible sanctions? What are the possible frameworks? Is there a regional framework that could be devised, such as the nuclear-weapons-free zone in the region, which is in the cards at the moment in the international sphere? Do we carry down along the EU3+3 talks with Iran or is there a new approach that could be taken? I, for one, look forward very much to what Hossein Mousavian is going to say.

Richard Dalton:

Thank you very much. This event is on the record and is being live streamed. Hossein Mousavian is an associate research scholar at Princeton University's Woodrow Wilson School of Public and International Affairs. From 1997 to 2005, he was the head of the foreign relations committee of Iran's national security council. From 2003 to 2005, when I was in Tehran as ambassador, he served as spokesman for Iran in its international nuclear negotiations with the European Union – somebody therefore whom I had the honour and pleasure of calling on to try to bridge some of the gaps that existed then. He's author of *The Iranian Nuclear Crisis: A Memoir*, published by Carnegie in June last year. Hossein, we are very pleased to have you.

Seyed Hossein Mousavian:

It's an honour for me to be here today with you, all distinguished guests. I would like to thank Patricia and Richard for the invitation and arranging this event.

You all know – it's not secret – that the EU3+3 policy over the Iranian nuclear dilemma has been negotiation while escalating pressures, covert actions, cyber war and economic warfare against Iran. In my understanding, this policy has absorbed 95 per cent of the EU3+3 potential, focusing on pressures and sanctions rather than diplomacy. But it's interesting that both parties believe their policy has been successful. The West claims victory because of imposing the most crippling sanctions ever on a country after Iraq during 1991–2003, which killed about one million. Also, in their mindset, Western countries believe they are getting closer to the ultimate goal – at least of the US – of regime change. Iranians also claim victory because in response to sanctions they have developed their nuclear facilities' technology in a way that today, perhaps, they have all nuclear technology in their hands, from mining to conversion to new centrifuges to enriching to 20 per cent – which as Patricia said, they can go easily to 60 or 90 per cent – and producing heavy water and constructing heavy-water reactors. Everything, they have.

But I believe it is not difficult to predict that the end-state of such a duel could be confrontation, and most probably would be confrontation if both parties continue current policies. I believe there are other options: we have the war option, we have pressures and sanctions, and we have the diplomacy option. I have no doubt war would be disastrous – for Iran, for Europe, for the US, for the region and beyond. I believe also this is a dangerous delusion to believe that sanctions, even the most crippling sanctions, will compel Iran to surrender on its nuclear programme or would lead to regime change.

Both parties blame each other – you have heard a lot – either on playing for time or being too internally disputed. That's why I want to present to you my own understanding about the reality of the current status quo of nuclear negotiations.

The EU3+3, or P5+1 – the world powers – they have five major demands. The first one is for Iran to implement the Additional Protocol, which would give much more intrusive inspections to the IAEA. The second is for Iran to implement the Subsidiary Arrangement called 3.1, which would give much more transparency. The third is to address the IAEA's possible military dimension issues, known as PMD, which would require Iran to give access

beyond the Additional Protocol. Legally, internationally, we don't have anything beyond the Additional Protocol, any arrangement, but for Iran to address possible military dimension issues they would have to give access beyond the Additional Protocol. Number four is to stop 20 per cent enrichment, to cap at five per cent. Number five is a limit on the stockpile of enrichment.

Iranians also have two major demands: recognition of Iranian rights to enrichment under the Non-Proliferation Treaty, like other member states of the NPT, and lifting the sanctions, even gradually. Iran is ready for a big deal on the nuclear dilemma if all 5+2 are considered within a package, to be implemented step by step with proportionate reciprocations. But as far as I understand, this is what the P5+1 or EU3+3 are not prepared for, such a deal.

The first reason is, I believe, due to sustained and increased pressure from Congress, AIPAC (American Israel Public Affairs Committee) and Israel. President Obama is not prepared to make an official declaration on the recognition of Iran's right under the NPT for enrichment. The second is some European countries, like France, follow the same US policy on recognition of the rights of Iran. The third: neither the EU nor the US are prepared to lift substantive sanctions at all. They are negotiating with Iran with very low-level sanctions, neither important multilateral sanctions nor important unilateral sanctions. They are not ready to deal.

Reason number four is the EU position. The time we were negotiating with the EU3 and before, the EU used to have over 50 per cent of Iran's trade. This was a real leverage for the EU to negotiate with Iran on every issue, not only the nuclear. Nowadays I believe due to sanction policies, the EU has lost its position on trade with Iran – maybe they have less than a 20 per cent share. Their share of Iran's trade has gone to Asia, China, India, Russia, maybe about 80 per cent. The second issue about the EU position was that from the Iranian point of view, the EU was considered a relatively impartial arbiter, balancing the radical policies of Washington. They had more a balancing role between Iran and the US. These days, they have lost this role, and even sometimes they are more Catholic than the pope.

The number five reason is that Obama has no authority to lift the sanctions. The US nuclear negotiation team is coming to negotiations with no authority, because Congress has authority to decide on lifting the sanctions, not the president. Number six – which to me is the most important – is hostilities between Iran and the US. I believe as long as these hostilities continue, I'm

not optimistic whether we will be able to find ultimately a peaceful solution on the nuclear issue.

Because of these six reasons, I believe in past negotiations during 2012 the EU has proposed to Iran very naive packages, asking for the maximum and in return offering the very minimum – because they cannot go forward on the two substantive demands of Iran while Iran is prepared to make a deal on the five demands of the P5.

The solution is here: I believe Europe and the US should be courageous enough to bring all five major demands of the P5 and the two major demands of the Iranians within a package, and define how this could proceed step by step with a timetable, with realistic and proportionate reciprocations – not to ask in the first step the maximum from Iran and to give the minimum. But in parallel, I believe we need direct talks between Iran and the US. On the nuclear issue, this should be dealt within the P5+1. As long as we don't have in parallel a direct talk between Iran and the US, I'm afraid the P5 will fail on the nuclear deal. Iranians and Americans need direct talks on broader issues bilaterally, regionally and internationally – a comprehensive package. To make such a deal possible, I believe the US as a world power and Iran as a regional power need to acknowledge and recognize their respective rights and interests. Otherwise, we are not going to get anywhere.

To the best of my knowledge, Iranians are prepared for a deal with the US based on mutual respect, non-interference and equality. Up to now the US has not been prepared, but the question is whether President Obama, having John Kerry and Chuck Hagel on board, would be courageous enough to make such a deal or not. We have to wait maybe for another year. I stop here; I prefer to leave the time for the audience for questions and answers.