



## Steps to a Brighter Future: the Bush Administration's Non-proliferation Policy

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Good evening, everyone. Let me thank Jessica Matthews and Joe Cirincione for inviting me to address you this evening. I am truly honored to be among so many distinguished nonproliferation experts. I am also delighted not to have to pay the conference fee. What a relief. I've escaped with my wallet intact for yet another year.

I'd also like to thank the Carnegie Endowment for sponsoring this Conference, and both the MacArthur Foundation and the Carnegie Corporation of New York for making it possible.

We stand today at a critical juncture in our struggle to control the spread of weapons of mass destruction (WMD). I don't use the phrase "critical juncture" lightly -- as you know, all of us in the nonproliferation business never take anything lightly. After all, our job is to imagine the worst. Indeed, policy debates at nonproliferation conferences often remind me of the Commencement Address in Woody Allen's book, *Without Feathers*. "Graduates, as you embark on your life's journey, you will come to a fork in the road. The way to the left leads to despair and misery. The one to the right, to inevitable destruction. Choose wisely."

Unlike Woody Allen, I do believe a path to a safer world exists. And yes, we are at a critical juncture. The choices we make today and the actions we take -- or fail to take -- will do much to determine the nature of the WMD threat to international peace and security in the coming decades. Will the possession of nuclear weapons be confined to those who have them today, or even be rolled back? Or will nuclear ambitions be unbridled, with many more states having actual or "virtual" nuclear weapons capabilities?

Will chemical weapons finally be abolished? Or will poison gas remain the weapon of choice for ethnic cleansing, terrorist cults, and murderous tyrants? Will biotech service the needs of mankind? Or will it be harnessed to create ever more lethal microbes and more efficient delivery techniques?

And will the power of the atom help satisfy mankind's hunger for energy? Or will it simply pile up tons upon tons of poorly secured, dangerous nuclear and radioactive materials?

Clearly, the nonproliferation decisions we make today will go far to determine the answers to these questions over the coming decades. Our collective challenge is to craft a global nonproliferation strategy that will avoid the pitfalls of the past and carry us forward to a more peaceful and secure future for all of mankind.

### A Dark Future

Let's look ahead 10 or 20 years or so to one possible future. Under this scenario, the Chinese have continued to expand their nuclear arsenal, and India and Pakistan have added to their nuclear capabilities. Indeed, the nuclear arsenals on the sub-continent now rival those of the British and French in terms of numbers and sophistication.

North Korea maintains a force of nuclear-tipped missiles and air-delivered nuclear bombs, and Iran is steadily adding to its arsenal of plutonium- and highly enriched uranium-fueled weapons.

Yet another dozen plus nations are maintaining "virtual" nuclear arsenals. Rather than deploying operational nuclear weapons, these countries have opted for a "just in time" capability -- that is, they have acquired the infrastructure to produce and store fissile material, and to fabricate it into nuclear weapons, soon after a political decision to do so has been taken.

Despite all this proliferation, the nuclear Non-Proliferation Treaty (NPT) has not been abrogated. Worse, it is simply ignored. Likewise, the International Atomic Energy Agency (IAEA) is stagnant. Its inspectors continue to go through the motions; but everyone knows that even if they uncover safeguards violations, the Board of Governors will exact no consequences. Adding to this dismal picture are the thousands of radioactive sources spread throughout the globe -- most poorly secured, and many simply unaccounted for. Credible reports suggest that international terrorist entities are seeking to stockpile these sources and other radioactive materials for use in "dirty bombs." Indications are that the terrorists, possibly in league with sponsoring states, plan to explode these devices in populated areas.

Notwithstanding the promise of a chemical weapons-free world enshrined in the 1997 Chemical Weapons Convention, we now find ourselves in a world awash in chemical weapons. Although the recipient of substantial foreign assistance, Russia has not allocated the necessary funds to safely dispose of its chemical munitions, leaving Russia in possession of the world's largest stockpile of chemical weapons -- obsolescent, leaking weapons. Several other countries never even bothered to declare their smaller stockpiles, and keep them hidden. Still others have maintained a chemical weapons mobilization capability, with secret plans to produce such weapons -- should the perceived need arise -- using existing dual-use chemical plants that normally manufacture industrial chemicals for legitimate civilian uses. It seems that no one remembers the pictures from Halabja -- the mass graves of the 5,000 men, women, and children gassed to death by Saddam Hussein.

Of even greater concern is the fact that terrorists -- as well as certain states -- also have access to biological weapons. At the end of the 20th century, public documents noted that some half dozen countries maintained covert biological weapons programs in violation of the Biological and Toxin Weapons Convention (BWC). Among these countries were North Korea and Iran. Over the ensuing years, this number more than doubled, as countries seeking the "poor man's atom bomb" developed illicit biowarfare programs concealed within legitimate dual-use commercial facilities.

### A Brighter Future?

That's one possible future, the nightmare scenario. Now let me suggest another, brighter future. In this scenario, one or two decades from now nuclear arsenals will be at their lowest levels ever. The billions pledged and spent on behalf of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction have helped Russia and other countries to eliminate weapons stocks, secure dangerous nuclear and other materials, and redirect thousands of former weapons scientists to peaceful civilian employment. Following the lead of the United States and Russia in implementing the Moscow Treaty reductions, China has opted to freeze its nuclear arsenal at its early 21st century level. The successful Indo-Pakistani rapprochement has led to a freeze in the arsenals of both states, and the adoption and implementation of nuclear confidence-building measures. All civilian nuclear facilities in both countries have been placed under IAEA safeguards.

Following the lead of Libya in 2004, first Iran and then North Korea agreed to abandon their nuclear weapons programs. Both countries continue to have political differences with their neighbors and others. Nevertheless, both are the beneficiaries of substantial foreign direct investment, both have diplomatic relations with the United States and the EU, and both are recognized members of the international community of nations.

Following the successful adoption of an international ban on the sale or transfer to additional states of enrichment and reprocessing technologies, the threat of "just in time" nuclear proliferation has been substantially reduced. At the same time, the reactor fuel supply guarantee that went hand-in-hand with the ban has resulted in a significant expansion in the use of nuclear energy for peaceful purposes. The NPT remains a cornerstone of the international nonproliferation regime, and the Additional Protocol has become a prerequisite for cooperation in the nuclear field.

The potential misuse of radioactive sources has been reduced to a minimum, as most UN member states have adopted the Code of Conduct on the Safety and Security of Radioactive Sources and taken steps to implement its guidelines. Likewise, the Global Threat Reduction Initiative launched by the U.S. Department of Energy in 2004 has succeeded in repatriating and securing most of the U.S- and Russian-origin highly enriched uranium reactor fuel and Russian-origin spent fuel, as well as in converting civilian research reactors to use much less threatening low enriched uranium.

With regard to chemical weapons, all stockpiles have been safely disposed of under the watchful eye of international inspectors. Here again, following the lead of Libya, several other nations quietly declared their chemical weapons programs and then dismantled them with funding assistance from the Global Partnership donors and under the supervision of the Organization for the Prohibition of Chemical Weapons (OPCW).

Attempts by terrorists to acquire chemical and biological weapons, and the means to produce them, have been successfully thwarted by unprecedented cooperation among law enforcement, intelligence, and military personnel from numerous countries operating under the mantle of an expanded Proliferation Security Initiative (PSI). Similarly, cooperation among PSI partners has resulted in the seizure of shipments of sensitive materials headed for states of proliferation concern. Moreover, it is thought that the existence of the PSI has deterred many more attempts due to the fear of being caught. At the same time, following up on UN Security Council Resolution 1540, UN member states have acted to close loopholes in their national legal authorities, adopting the necessary measures to criminalize trafficking in all weapons of mass destruction and related materials. Likewise, most states have taken steps to improve their export control mechanisms and control the flow of dual-use materials across their borders.

The threat of biological weapons use, by states and terrorist entities alike, also has diminished, largely as the result of practical international efforts to strengthen the BWC prohibitions. These efforts included improvements in global disease surveillance, expansion of biosecurity standards, development of a biological code of conduct for scientists, and multinational planning for the coordination of assistance in the event of a suspicious outbreak of disease or a biological weapons attack. As a result of these efforts, countries that had previously refrained from signing up to the BWC have adhered to it in such numbers that it now rivals the NPT in terms of near universal adherence.

#### **The Time Is Now**

These are two of the possible futures we face. One is disheartening. The other is hopeful. Neither is certain.

What is certain is that the nonproliferation policy decisions we make today will do much to determine what our future will be tomorrow. Earlier this year, IAEA Director General Mohamed El Baradei warned that the risk of proliferation is on the rise. He wrote that although "equipment, material and training were once largely inaccessible.... today...there is a sophisticated worldwide network that can deliver systems for producing materials usable in weapons." He added that "if we sit idly by, this trend will continue." We cannot sit idly by, and we will not sit idly by. As President Bush stated in February, "America will not permit terrorists and dangerous regimes to threaten us with the world's most deadly weapons." The time to act is now. A safe and secure future for mankind will require bold action on the nonproliferation front today.

#### **What We Must Do**

So, what needs to be done to meet today's difficult proliferation challenges? The starting point is to realize that no one country can solve this problem; we must work together. As President Bush has stated, "Every civilized nation has a stake in preventing the spread of weapons of mass destruction."

#### **There are a number of steps we must take.**

First, we must criminalize WMD trafficking. The Bush Administration is doing so.

Successful prosecution of the dealers in WMD proliferation requires that their activities be made criminal under the terms of national legal authorities. An important step forward in this regard was the recent passage of United Nations Security Council Resolution 1540, which calls on all states to criminalize WMD trafficking, strengthen export controls, and cooperate in actively countering proliferation activities. Specifically, Resolution 1540 calls on all states to adopt and enforce effective laws to prohibit private or non-State entities from manufacturing, acquiring, developing, possessing, transporting, or using nuclear, chemical, and biological weapons and their means of delivery. Further, the Resolution calls for the criminalization of any efforts to finance or otherwise assist in the conduct of these activities.

Second, countries must sign and ratify the Additional Protocol. We are doing so and we are encouraging others to do so as well.

To date, 90 countries have concluded an Additional Protocol with the IAEA, including the United States. 58 of these countries have brought the Additional Protocol into effect. On March 31, the United States Senate gave its advice and consent to ratification of the Protocol. Implementing legislation submitted by the Bush Administration last fall is now before Congress.

Third, we must verifiably dispose of prohibited and surplus weapons and materials. And countries that are willing to do so and need financial or technical assistance should receive it. The Bush Administration is supporting all these initiatives.

Cooperative threat reduction efforts have accomplished a great deal in the past dozen years. The United States has provided \$9.2 billion in threat reduction assistance to secure and eliminate excess WMD and related materials and facilities left over from the Soviet Union's Cold War arsenal. This assistance has contributed to the elimination of over 1,100 strategic missiles and bomber aircraft, the deactivation of some 6,300 nuclear warheads, and the engagement in peaceful civilian work of thousands of scientists and engineers formerly involved in WMD development.

U.S. threat reduction support also has assisted Russia in enhancing the security of nuclear warheads and materials, chemical weapons in storage awaiting destruction, and sensitive biotechnical facilities. Additionally, the U.S. has purchased 200 metric tons of highly enriched uranium from Russia -- enough to build 9,000 nuclear warheads -- which is being converted to fuel and "burned" in commercial power reactors for the generation of electricity. Further, we are working with Russia and other partners to ensure that 68 metric tons of surplus weapons-grade plutonium is converted into forms unusable for weapons.

In June of 2002, at the G-8 Summit in Kananaskis, the G-8 leaders made a major commitment to cooperative threat reduction with the creation of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. Under the Global Partnership, the G-8 leaders pledged to raise up to \$20 billion over ten years to fund nonproliferation, disarmament, nuclear safety, and counter-terrorism projects, focused initially in the Russian Federation. The U.S. pledged \$10 billion to the Global Partnership, to be matched by the other G-7 states and the European Union, which have pledged about \$6.5 billion to date. Russia also plans to spend \$2 billion of its own funds on these efforts. Last year, six other countries -- Finland, the Netherlands, Norway, Poland, Switzerland, and Sweden -- joined in the Global Partnership. Most recently, at the Sea Island Summit, the G-8 welcomed seven additional states as Global Partnership donors -- Australia, Belgium, the Czech Republic, Denmark, Ireland, the Republic of Korea, and New Zealand.

The addition of these countries serves to highlight the global nature of the proliferation threat. This is an excellent start, but we want and need to do more. The Global Partnership needs to have an even broader global reach. So President Bush proposed this past February that the Partnership expand and extend its efforts, to include

new donors and to address proliferation challenges beyond Russia and other former Soviet states to countries in other regions of the world, such as Libya and Iraq. At Sea Island, the G-8 leaders agreed that they will use the Global Partnership to coordinate their efforts to meet proliferation threats worldwide.

Fourth, countries must share information about illicit WMD activities, and cooperate in interdicting illicit WMD-related shipments and in shutting down transnational proliferation networks. The Bush Administration is leading the way.

At Sea Island, the G-8 leaders also endorsed another multinational effort to combat the threat of WMD proliferation -- the Proliferation Security Initiative (PSI). The PSI, launched one year ago in Krakow by President Bush, represents a truly global response to a global problem. It establishes the basis for cooperation among states in interdicting illicit shipments of WMD, delivery systems, and related materials, and in putting a halt to this deadly and illegitimate trade. Operating consistent with national legal authorities and international law and frameworks, the PSI is creating a set of ad-hoc partnerships that will facilitate expeditious cooperation on specific interdiction activities as the need arises. Over 60 countries spanning the globe support PSI, putting would-be proliferant states and terrorist entities on notice that their illicit activities will not be tolerated.

To further this effort, President Bush recommended -- and G-8 leaders and other PSI partners agreed -- that PSI be expanded beyond interdiction to encompass multinational cooperation in shutting down covert transnational proliferation networks. Working together, PSI participants can pool their law enforcement and other resources to go after the proliferation networks, close down their factories, ferret out their middlemen, freeze their bank accounts, and prosecute criminal traffickers in WMD technology.

Fifth, we must strengthen international institutions that are central to combating WMD proliferation, such as the IAEA. And we are doing so.

Last year, at the urging of the United States, the IAEA's General Conference approved a \$25.1 million increase to be phased in over four years. This breaks almost two decades of zero real growth in the IAEA's budget, at a time when the Agency's safeguards responsibilities expanded significantly. Consequently, over 75% of this increase will be directed to safeguards. To demonstrate our seriousness in seeking this increase for safeguards, the United States also agreed to forgo efforts to reduce the maximum assessed share of the budget from 25% to 22%. These actions will result in an increase of roughly \$15 million in our annual assessment to the IAEA. At the same time, the United States has continued to provide the IAEA with an annual voluntary contribution, which in the first three years of the Bush Administration totaled over \$150 million. As necessary in the coming years, the members of the Agency should continue to support appropriate increases in the safeguards budget.

In his February 11 speech at the National Defense University, President Bush made several other proposals to give the IAEA the tools it needs to verify states' compliance with their nuclear nonproliferation obligations. He called for universal adoption of the Additional Protocol, for a new special committee of the Agency's Board of Governors, and for new procedures to ensure that states under investigation do not serve on the Board or on the new special committee.

Sixth, we must strengthen the requirements for the peaceful use of nuclear technologies. The Bush Administration is doing so.

In 1992, the Nuclear Suppliers Group (NSG) adopted a requirement for future exports of nuclear material, equipment, and technology that recipient non-nuclear weapon states must accept IAEA Safeguards on all of their peaceful nuclear activities. The time has come to extend that requirement to the signing of an Additional Protocol with the IAEA. The Additional Protocol must be made a condition of nuclear supply by the end of next year. But in the 21st century, we must recognize that some technologies are simply too dangerous to be widely dispersed. Accordingly, in February President Bush declared that the time has come to curb the spread of uranium enrichment and spent fuel reprocessing technologies.

As has been most recently demonstrated by Iran, states seeking to develop nuclear weapons capabilities pursue these technologies under the guise of peaceful nuclear programs. The NSG should take action to close this proliferation path by denying these technologies to those countries that do not already possess full-scale, functioning enrichment or reprocessing plants. The decision of the G-8 leaders at the Sea Island Summit to refrain over the next year from inaugurating new initiatives involving the transfer of enrichment and reprocessing equipment and technologies to additional states is a good start. Together, over the next year, we will be considering what steps we should take to amend the NSG guidelines to ensure that this pathway to nuclear proliferation is permanently closed off. At the same time, we also need to consider the proposal of President Bush to extend the benefits of peaceful nuclear energy by providing guarantees of reliable access to reactor fuel to those states that forgo these key proliferation technologies.

Seventh and finally, we must strengthen export and border controls. And again, the Bush Administration is doing so in cooperation with others.

The United States has provided direct assistance to other countries to bring their export control systems up to international standards through the Department of State's Export Control and Related Border Security Assistance Program (EXBS). The EXBS program addresses all aspects of a country's export control system; for example, through EXBS we have helped other governments draft and pass new export control laws and regulations, establish special Customs enforcement teams, improve inspection and detection capabilities, and screen license applications and cargo shipments for proliferation-related transfers.

## Conclusion

These are only some of the measures the international community needs to adopt, and where the United States is playing a leading role. I have not mentioned many other useful activities that are already underway -- such as the Open Skies Treaty, the Hague Code of Conduct Against Ballistic Missile Proliferation, the Australia Group, the Wassenaar Arrangement, and the U.S. Dangerous Materials Initiative. Likewise, I have not mentioned the many complementary national and multi-national activities to counter proliferation -- such as missile defense, improved air defenses, cooperative biodefense arrangements, and enhanced disease surveillance mechanisms. All of these efforts, too, are part of the global struggle against WMD proliferation.

In the words of President Bush, "America and the entire civilized world will face [this] threat for decades to come. We must confront the danger with open eyes and unbending purpose."

Thank you very much.

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