U.S. DEPARTMENT of STATE

Strengthening the Nonproliferation Regime

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Thank you for the chance to offer you some perspectives upon the nonproliferation challenges facing us all today -- and upon how we can, together, go about strengthening the nonproliferation regime upon which all our countries' security depends.

I. United States Strategy Against WMD Proliferation

From his very first days in office, President Bush has regarded WMD proliferation as the major national security threat of the 21st Century. We have built our approaches around this insight, and around his call for a broad strategy of active nonproliferation, counterproliferation, and defenses. Our approach has not been one, however, that is wedded to the conventional wisdom of the past. It was clear from the beginning of this Administration that we should retain whatever from the past can help the international community address contemporary challenges, but that there is no point in retaining what does not. And from the start, we have actively investigated and sought to develop new approaches.

After all, the nonproliferation challenges - and the overall strategic circumstances -- that face us all today are very different, and sometimes radically different, from those which obtained when the conventional wisdom of the arms control community developed in the 1970s. The Cold War between the nuclear superpowers is over, their arms race ended, and the arsenals of the nuclear superpowers have been slashed to levels unseen since the mid-1950s. The bipolar dynamics of international relations have been replaced by far more complex modern dynamics. Dual-use technologies with potentially potent WMD applications have become more ubiquitous. And the rise of sophisticated mass-casualty terrorism has raised the unprecedented specter of WMD terrorist attacks on a global scale. Many of yesterday's approaches may no longer fit today's needs, and we re-examined nonproliferation strategy from the ground up. The result of this re-examination is our strategy of building a "layered defense" combining the best elements of effective multilateralism with innovative new approaches. It combines the best elements of effective multilateralism with innovative new approaches.

A. *The Nature of the Nonproliferation Regime*

Such a hybrid and layered approach is vital, for the nonproliferation regime is bigger than just its treaty-related elements. The nonproliferation regime depends upon the steps that all our nations take on their own and with like-minded allies to further nonproliferation goals. The nonproliferation regime is about how we shape the calculations of present-day and future would-be proliferators in innumerable different ways -- and it includes the dynamics of deterrence, including, where justified and appropriate, the element of possible military response.

In short, a nonproliferation *regime* relevant to today's environment is a multifaceted and highly complex amalgam of elements, and a whole that we should remember operates *over time*. After all, just as today's proliferators have learned lessons from how the international community has dealt (or failed to deal) with proliferation in the past, so we can be sure that *tomorrow's* would-be proliferators will learn lessons from how we approach and respond to our challenges today. While the specifics of each situation and each country obviously need to be factored into our approaches, there is no such thing as an entirely country-specific problem or an entirely country-specific solution. Each policy choice today has implications across issue areas, across regions, and over time. We ignore these implications at our peril.

To regard the nonproliferation regime as being just about how best to implement a handful of treaties is to miss the point. To be sure, the key nonproliferation treaties are a critical element of the overall nonproliferation regime. But the regime is far more than just the sum of its treaties. Indeed, without an ancillary web of individual and joint international efforts and commitments to support nonproliferation goals, the treaties themselves would quickly become dangerously hollow, empty formalisms incapable of affecting the behavior of those countries whose decisions it is most important to shape.

B. *Effective Multilateralism and New Initiatives*

The Bush Administration's National Strategy to Combat WMD, our national contribution to the nonproliferation regime *writ large*, stresses three main elements: nonproliferation, counterproliferation, and consequence management. These elements are inescapably interrelated. With our nonproliferation policy, we seek to stop the spread and deter the pursuit of weapons of mass destruction. With our counterproliferation strategy, we seek to deter WMD use, to detect WMD possession, to defend against WMD threats, and -- if necessary -- to defeat WMD possessors who move against us or our allies. Finally, with our consequence management strategy, we seek to minimize the likely impact of WMD use and maximize our ability to handle such a catastrophe if it cannot be forestalled by effective nonproliferation and counterproliferation efforts.

(1) *Strengthening Effective Multilateralism*

Across the various WMD issue areas, our policy is to retain and strengthen effective elements of traditional multilateral approaches. In the nuclear arena, for example, we have turned to the United Nations Security Council to lend legal force to addressing the ongoing noncompliance challenges of Iran and North Korea. The role for the Security Council in addressing continued refusal of a State to comply with IAEA safeguards obligations was expressly designed into the IAEA Statute half a century ago, and we have led the effort to vindicate the promise of multilateralism by involving the Security Council in compliance enforcement to help meet the challenge presented by Iran's continuing contempt for its obligations under the NPT, its disregard its safeguards obligations, and its provocative and destabilizing actions in pursuit of capabilities that would enable it to produce fissile material usable in nuclear weapons.

The United States has also lent enthusiastic support to the IAEA safeguards system. We have steadfastly supported IAEA inspectors in the face of efforts by Iran and North Korea to impede their work, mislead them, deny them access to vital information, and otherwise undermine the effectiveness of nuclear safeguards. We have supported the safeguards system with enormous sums of money through our voluntary contributions to the IAEA. We have also worked tirelessly to strengthen the safeguards system by promoting universal adherence to IAEA Additional Protocols and pressing for the vigorous and effective implementation of inspections aimed at detecting undeclared nuclear activity. We originally proposed and have led the creation of the Committee on Safeguards and Verification (CSV) at the IAEA, a new institution dedicated to finding ways to improve the safeguards system.

I am principally speaking to you today about nuclear nonproliferation, but please bear in mind that our efforts extend across the WMD issue areas. With regard to chemical weapons, for instance, we have vigorously supported the activities of the Organization for the Prohibition of Chemical Weapons (OPCW), have helped it improve the effectiveness of its inspections and the security of its information technology, and have helped a large number of developing nations implement their Chemical Weapons Convention (CWC) declaration and national legislation obligations. We are particularly proud, in this respect, of the role we played in helping bring Libya into the CWC, helping it eliminate its chemical weapons program, and enabling it -- through securing agreement upon an exception to the CWC Verification Annex -- to convert its chemical weapons production facility at Rabta into a biomedical plant that is expected to produce anti-malarial and anti-AIDS pharmaceuticals for the developing countries of Africa. Now *that's* effective multilateralism!

(2) *New and Innovative Coordinated Approaches*

Yet while supporting and helping strengthen these and other multinational efforts, the United States has also worked hard to develop new and innovative approaches to advancing nonproliferation goals. The Proliferation Security Initiative (PSI), for instance, has been instrumental in increasing the costs and risks to proliferators. It has enhanced nonproliferation, counterproliferation, compliance enforcement, *and* deterrence -- by improving coordination in the employment of existing national and international authorities. There have been more PSI successes than one can discuss publicly, but we should remember that it was a PSI interdiction, of a shipment of illicit centrifuge equipment bound for Libya in October 2003, that began the unraveling of the dangerous and infamous A.Q. Khan nuclear proliferation network and helped catalyze Libya's pathbreaking final decision two months later to renounce the pursuit of WMD and dismantle its WMD programs. (The critical early Libyan overtures on WMD elimination had begun in the rather significant month of March 2003, but it was the October interdiction that helped break a deadlock in the secret negotiations and thus led directly to the December 2003 decision.) Neither a treaty nor yet another international bureaucracy, PSI is a new model of multilateral cooperation based upon shared interests and perspectives, and upon coordinated endeavors frequently drawing upon *national* authorities.

To depart again for a moment from my topic of nuclear nonproliferation, I would also like to remind you that with regard to the threats presented by biological weapons -- both from state programs in violation of the Biological Weapons Convention (BWC) and from terrorists' ongoing pursuit of such heinous capabilities in order to massacre innocent civilians -- the United States has also led the way in developing new approaches to effective multilateralism. We have helped pioneer a new and very effective approach to a BWC work program, for example, that promotes common understandings and effective action against biological weapons threats -- not through the creation of a new international bureaucracy but rather through: (a) the establishment and employment of new national measures by all governments, including criminalization, to implement BWC prohibitions; (b) the development of new mechanisms and procedures to maintain security and oversight of dangerous biological materials; (c) improvements in international capabilities to identify and to respond to suspicious or deliberate disease outbreaks; (d) the creation of new scientific codes of conduct; and (e) augmented national and international means of and procedures for disease surveillance, detection, diagnosis, and coordinated response.

United Nations Security Council Resolution 1540 -- which requires all states to prohibit and prevent WMD proliferation, institute effective export controls, and enhance security for nuclear materials in their territory -- also stands as another new model for effective multilateralism. Built upon Council's the authority under Chapter VII of the UN Charter, Resolution 1540, like its predecessor Resolution 1373 (which is aimed at terrorism but structured similarly), is a new sort of international institution altogether and one which can powerfully complement the full range of other approaches.

The United States also led the creation in 2002 of the G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, which has added over seventeen billion dollars in commitments to the goal of securing and eliminating sensitive technologies and weapons.

Perhaps most dramatically, the United States worked with our British allies and our new Libyan colleagues in helping Libya come to, and implement, its courageous decision of December 2003 to eliminate its WMD and long-range missile programs. This unprecedented, successful, trilateral, and cooperative project of wholesale WMD *elimination* is another example of our innovative, coordinated actions in support of nonproliferation and counterproliferation goals.

Indeed, it is hard to exaggerate the potential significance of the Libyan model, because Libya is an historic example of full-scale "rollback" of active WMD-related programs that did *not* occur in the context of regime change. Coming after years of thoroughgoing isolation growing out of the international community's concern about Libya's support for terrorism, human rights abuses, and interest in weapons of mass destruction and delivery systems, Libya's return to the international community illustrates how relations with a rogue proliferator can be turned around by policies that induce it to make a wise strategic decision to abandon the pursuit of WMD. Today, especially as Libya increasingly reaps the benefits that naturally accrue from having a more *normalized* relationship with the major powers, the Libyan example is one from which rogue states such as Iran and North Korea should learn.

(3) *National Efforts*

Finally, with our own, individual national efforts, the United States has sought to apply all the elements of our own national power to combating WMD proliferation. This has been a multifaceted effort, ranging from our imposition of economic sanctions against proliferator entities pursuant to U.S. laws and Executive Orders, to our longstanding efforts -- involving many billions of dollars in U.S. taxpayer funds -- to remove from Ukrainian, Belarusian, and Kazakhstani territories nuclear warheads and proliferation-sensitive materials in an effort to help reduce the former Soviet strategic arsenal, improve security for nuclear materials, and prevent illicit transfers of WMD-related goods and materials.

In addition, we are taking steps to shape the incentive structure facing proliferators around the world by developing missile defenses, both on our own and in cooperation with friends and allies around the world. This is an important nonproliferation step, inasmuch as the purpose of these efforts is not only to *defeat* rogue states' missile attacks should they occur, but also to *deter* proliferation by making it clear to would-be proliferators that they may not be able to deliver their weapons by means of ballistic missiles - and that they should therefore reconsider the pursuit of such capabilities. Missile defenses are an important component of the world's nonproliferation tool kit.

On other fronts, our Global Threat Reduction Initiative (GTRI) has taken the lead in reducing stocks of fissile and radioactive materials worldwide, and our "Second Line of Defense" and "Megaports" initiatives have installed radiation detection equipment at major seaports, airports, and land crossings around the world. Through our Cooperative Threat Reduction (CTR) programs, moreover, we have funded not only longstanding efforts in the Former Soviet Union but also new projects such as the elimination of chemical weapons in Albania. And, as I will discuss in more detail shortly, our Global Nuclear Energy Partnership (GNEP) initiative is today working with supplier states to take concrete steps to develop long-term fuel assurance programs and improved proliferation-resistant nuclear energy options -- a step talked about for more than three decades in IAEA and United Nations circles but never before acted upon.

II. Nonproliferation and Peaceful Uses of Nuclear Technology

Let me say a few words about the interplay between nonproliferation and the peaceful uses of nuclear energy. Earlier, I noted the importance of shaping the calculations and influencing the behavior of both current and would-be future proliferators. In the context of the NPT regime, the United States has sought to do this through a mixture of carrots and sticks -- that is, through an overarching emphasis upon enforcing nonproliferation compliance coupled with efforts to promote peaceful uses of nuclear power within the parameters of nonproliferation good sense. It is in this interplay of incentives that one can see the underlying rationale of our approach to the seminal nuclear nonproliferation issues of today: diplomatic initiatives vis-a-vis Iran, the pursuit of North Korean nuclear dismantlement, strengthened IAEA safeguards, assured nuclear fuel supply mechanisms, and stopping the spread of enrichment and reprocessing technology.

As you know, the so-called "P-5 plus one" countries -- the United States, Great Britain, France, China, Russia, and Germany -- have made a generous offer to Iran that involves both support for additional light water reactors (LWRs) and the provision of assured nuclear fuel supplies for peaceful power generation. In return for all this, Iran needs to end its provocative and destabilizing pursuit of enrichment and reprocessing capabilities, and cooperate fully with the IAEA, in order to restore the international community's shattered confidence in Iran's peaceful intentions.

Iran is a very special and very problematic case, but this intertwining of elements in the diplomatic negotiations picks up some broader themes which I would like to emphasize. For those that abandon -- and in the future avoid -- proliferation-risky behavior, there is the opportunity to share in the enormous benefits that nuclear power and international nuclear cooperation can bring to mankind. President Bush has made clear the U.S. Government's support for ensuring that states that choose not to pursue sensitive nuclear fuel cycle technologies can have reliable access to nuclear fuel supplies and an expanding role in peaceful nuclear cooperation.

And we *do* wish -- and are working hard -- to expand peaceful nuclear cooperation around the world. As proposed by President Bush in 2004, for instance, the United States has been developing bold proposals to create a new framework for nuclear energy, a safe, orderly system to field civilian nuclear plants without adding to the danger of weapons proliferation. We are, in other words, committed to both energy *and* security - -committed to making possible significant increases in nuclear power within the framework of sound nonproliferation policies. The U.S. vision for this framework is called the Global Nuclear Energy Partnership. GNEP involves three key elements:

- Developing and deploying advanced, more proliferation-resistant civil nuclear energy systems that avoid the separation of pure plutonium and make it as difficult as possible to divert resulting nuclear material to weapons;
- Promoting small and medium-size proliferation-resistant reactors designed specifically to meet the needs of developing countries; and
- Providing assurances of fresh fuel and spent fuel management to states that do not pursue enrichment and reprocessing programs.

In connection with these efforts, we believe it is very important to develop a mechanism for reliable access to nuclear fuel. Together with Great Britain, France, Germany, the Netherlands, and Russia, we have circulated a proposal to IAEA members for such a fuel supply program, along with a U.S. reserve of nuclear fuel that could be drawn upon to back it up. And this isn't just talk: we are already in the process of converting more than 17 metric tons of highly-enriched uranium (HEU) from our own defense programs into low-enriched uranium (LEU) to help create such a reserve. In the long run, we envision the creation of a fuel leasing system, in which the supplier takes responsibility for the final disposition of spent fuel -- whether this occurs in the fuel cycle country that has produced it or elsewhere. We also welcome discussions on the possibility of an IAEA-overseen fuel bank, as the IAEA Director General has suggested, to serve as a supply of last resort.

Especially in this era of increasing worries about the environmental costs and long-term availability of fossil fuel supplies, these initiatives hold enormous promise, and deserve broad support and participation. Our GNEP initiative envisions a future in which countries around the world could receive the benefits of having civilian nuclear power with a reliable supply of reactor fuel, yet without themselves having any need to undertake the significant and vastly expensive infrastructure investments needed for enrichment, recycling, and disposal facilities.

Because sensitive nuclear technologies have weapons applications, it is essential that all of these forward-leaning and ambitious programs be conducted in ways that protect against the proliferation of nuclear weapons -- including through the universal adoption of the IAEA Additional Protocols (AP), which provide IAEA inspectors with long-overdue information and rights to access, increasing their ability to detect undeclared nuclear activities. The AP should become the new "floor" of safeguards protection, and President Bush has called for it to become a qualifying criterion for nuclear trade.

Moreover, from our vantage point here in 2006, it is also now clear that implementation of the safeguards system can sometimes require enhanced access *beyond* the basic safeguards agreement and even the Additional Protocol where a country's safeguards noncompliance and nuclear deceptions make such "transparency measures" indispensable to the resolution of compliance issues. In such cases, which are hopefully very rare, it may be necessary for the IAEA to obtain additional access and exercise additional investigative authority with respect to a problem state. This principle has been endorsed by the Director General of the IAEA, who since his report to the IAEA Board in September 2005 has made clear that the IAEA needs this in Iran.

At the most basic level, the entire edifice of peaceful nuclear cooperation and benefit-sharing since the NPT's inception is premised on strict compliance with the nonproliferation obligations that form the essential core of the Nonproliferation Treaty. This requires that all NPT parties demand rigorous nonproliferation compliance. Participation in a world of peaceful nuclear benefit-sharing -- a world of cooperative development of civil nuclear power and of civil nuclear trade and assistance across a wide range of economically, scientifically, and medically vital areas - can and should be widely available, but such projects should occur within a complete safeguards framework and recipients of such benefits should eschew capabilities and behavior that create unnecessary proliferation risks.

One of the foundations of our approach is that countries that violate their nuclear nonproliferation obligations need to restore international confidence in their peaceful intentions as a precondition for engagement and partnership in the exciting world of shared nuclear technology benefits illustrated by GNEP. In order to accomplish this, a country may need to abandon capabilities that were acquired in the course of violating its NPT and IAEA safeguards obligations. Such capabilities must be regarded as having been "tainted," and may need to be abandoned if the world is to regain trust in that country's peaceful nuclear intentions.

This is what we and our British allies asked of Libya in helping that country implement its brave and historic commitment to give up its WMD. (By the way, this is also what Article V of the Chemical Weapons Convention (CWC) demands of States Party when abandoning a chemical weapons capability.) In the nuclear realm, it is also what we have asked of North Korea in making clear our requirement that it dismantle its entire nuclear program -- for essentially *no* part of that program was undertaken for a legitimate peaceful purpose. This principle is reflected in the Joint Statement of September 19, 2005, in which the Democratic People's Republic of Korea (D.P.R.K.) committed to abandoning not only all nuclear weapons but also "existing nuclear programs" - while the other five parties agreed to discuss the subject of the potential provision of a light water reactor (LWR) to North Korea only at an "appropriate time" thereafter.

So it is hardly surprising that if Iran wishes to partake in the wide range of nuclear cooperation and assistance being offered it and escape the adverse consequences of its intransigence to date, it should abandon the enrichment and reprocessing capabilities which have been tainted by its own behavior. Such abandonment, I should emphasize, need come at no cost to the peaceful use of nuclear power. Iran's negotiating partners do not argue for Iran's dismantlement of the Bushehr reactor and for it to forsake development of a peaceful nuclear energy program. Indeed, Iran's surest and most effective route toward civil nuclear power generation is through *acceptance* of the generous terms offered it. But international confidence must first be restored in order for the world to embrace Iran as a partner in such endeavors, and such a restoration of confidence requires a strategic decision to change course with respect to Iran's fuel-cycle activities.

It is upon the future of these intertwined dynamics of compliance with nonproliferation obligations and peaceful use that the fate of the NPT itself rests. The safety and security of all nations depends upon rigorous nonproliferation compliance, state-of-the-art safeguards, and proliferation-resistant technologies. These measures create the assurances of safety needed for nuclear benefit-sharing and a viable international market in civil nuclear goods and services. This underlines the basic truth that the Nuclear Nonproliferation Treaty's name is no accident: nonproliferation constitutes the inescapable core of the NPT.

Those who have questioned our approach might wish to consider that it is the countries of the developing world that might be most harmed if the world's ambivalence about enforcing nonproliferation compliance eroded the bases of trust and assurance that make it possible for technology-possessors safely to engage in nuclear trade with others. It is clear that technology possessors cannot and should not share their knowledge and experience with non-possessors if doing so would not be safe, or would not be consistent with their nonproliferation obligations. Article IV of the NPT, after all, calls for the "fullest possible" exchange - but what is "possible" is what does not violate the NPT or contribute to nuclear proliferation. Nonproliferation compliance is the foundation upon which benefit-sharing necessarily rests.

It is also the countries of the developing world that would suffer the most in security terms, if the international community cannot stop the proliferation of nuclear weapons, for no one stands to lose more if a non-nuclear weapons state in the developing world suddenly acquires "The Bomb" than its neighbors -- who would be the most immediate victims of its threats and adventurism. So for sound reasons of both national security and economic and technological development, rigorous NPT compliance enforcement deserves unstinting support from all States Party.

The alternative road is a grim one. If the NPT proves ineffective when it is needed most -- in stopping proliferation cynically undertaken under cover of a shabby pretense of compliance with the Treaty -- this whole edifice of security protections and technological benefits can hardly survive. If it does not, the world will be a decidedly more insecure, poor, and intractably underdeveloped place, and history will judge the policymakers of today unkindly for their shortsightedness.

III. Conclusion

Let me conclude by thanking you again for the opportunity to lay out our thinking on these matters. This is a time of great stress upon the nuclear nonproliferation regime, and there is no shortage of voices suggesting that it is doomed. That need not be the case, however, and we hope that all governments will work together closely to meet the challenges facing the regime and strengthen the NPT. These challenges can be met, and ways found to expand and deepen the rich and exciting world of international nuclear cooperation in nonproliferation-responsible ways. I invite all of you to work with us toward these ends. Thank you.

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