

WEAPONS OF MASS DESTRUCTION: CURRENT NUCLEAR PROLIFERATION CHALLENGES

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RELATIONS
of the
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GOVERNMENT REFORM
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WEAPONS OF MASS DESTRUCTION: CURRENT NUCLEAR PROLIFERATION CHALLENGES

TUESDAY, SEPTEMBER 26, 2006

House of Representatives,
Subcommittee on National Security, Emerging
Threats, and International Relations,
Committee on Government Reform,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:35 p.m. in room 2157, Rayburn House Office Building, Hon. Christopher Shays (chairman of the subcommittee) presiding.

Present: Representatives Shays, Kucinich, Waxman, Lynch, Duncan, Porter, Platts, and Van Hollen.

Staff present: J. Vincent Chase, chief investigator; R. Nicholas Palarino, Ph.D., staff director; Robert A. Briggs, analyst; Kaleb Redden, Presidential management fellow; Karen Lightfoot, minority communications director/senior advisor; Andrew Su, minority professional staff member; Earley Green, minority chief clerk; and Jean Gosa, minority assistant clerk.

Mr. Shays. A quorum being present, the Subcommittee on National Security, Emerging Threats, and International Relations hearing entitled, ``Weapons of Mass Destruction: Current Nuclear Proliferation Challenges,' ' is called to order.

If the Treaty on Non-Proliferation of Nuclear Weapons, NPT, had not been created nearly 40 years ago and consistently upheld, it is likely there would be many more countries with nuclear weapons. As President Ronald Reagan urged at the 15th signing anniversary of the NPT, ``All states should rededicate themselves to achieving the purposes of this important treaty and to ensure its continued vitality.' '

Since 1968, nearly 190 nations have signed on to the NPT and pledged not to pursue nuclear weapons nuclear weapons in exchange for access to the benefits of peaceful nuclear technology and a commitment by the United States, Russian, France, Britain, and China, all nuclear-weapon states, to negotiate nuclear disarmament.

In 1987 President Reagan encapsulated a key point of the NPT's success when he famously said to then-Soviet Leader Mikhail Gorbachev, ``Trust, but verify.' ' The International Atomic Energy Agency, the IAEA, safeguards system verifies compliance with the NPT. This system has been the cornerstone of efforts to prevent the proliferation of nuclear weapons, but a powerful global nuclear threat still remains today. The treaty obviously is not perfect. States such as India, Pakistan, and North Korea have declared the have nuclear weapons. Terrorist organizations such Al Qaeda continue to seek chemical, biological, radiological, and even nuclear weapons.

In the face of these threats, rededication to the NPT is especially critical to ensure international peace, stability, and security.

Today we focus on challenges the world community faces from nuclear weapons proliferation and how the nonproliferation regime can be strengthened to effectively counter this threat

to our civilization.

We look forward to three panels of distinguished witnesses testifying before our committee today who will answer these questions:

Why has the Treaty on Non-Proliferation of Nuclear Weapons failed to prevent the spread of nuclear weapons?

Second, what steps should be taken to strengthen compliance with the Treaty on the Non-Proliferation of Nuclear Weapons?

We will first hear from Dr. Hans Blix, formerly the chief of United Nations weapons inspection in Iraq and now chairman of the Weapons of Mass Destruction Commission.

On panel two we are joined by Mr. William Tobey, Deputy Administrator for Defense Nuclear Nonproliferation, National Nuclear Security Administration, Department of Energy; Mr. Andrew Semmel, Deputy Assistant Secretary of State, International Security and Nonproliferation, Department of State; Mr. Jack David, Deputy Assistant Secretary of Defense for Combating Weapons of Mass Destruction and Negotiations Policy, Department of Defense; and Mr. Gene Aloise, Director, Natural Resources and Environment, Government Accountability Office.

Our third panel of witnesses include Ambassador Thomas Graham, chairman of the Bipartisan Security Group, Global Security Institute; Mr. Baker Spring, the F. M. Kirby Research Fellow for National Security Policy, The Heritage Foundation; Mr. Jonathan Granoff, President, Global Security Institute; Mr. Henry Sokolski, Executive Director of the Nonproliferation Education Center; and Professor Frank von Hippel, Co-Chairman of the International Panel on Fissile Materials.

We welcome all of our witnesses.

[The prepared statement of Hon. Christopher Shays follows:]

[GRAPHIC] [TIFF OMITTED] 35767.001

[GRAPHIC] [TIFF OMITTED] 35767.002

[GRAPHIC] [TIFF OMITTED] 35767.003

Mr. Shays. At this time we will recognize the distinguished ranking member of the subcommittee, Mr. Kucinich.

Mr. Kucinich. And I would like to yield to the distinguished ranking member of the full committee.

Mr. Shays. Absolutely.

Mr. Kucinich. Mr. Waxman from California.

Mr. Shays. The gentleman, Mr. Waxman, has the floor.

Mr. Waxman. Thank you both very much, particularly Mr. Kucinich, because I do have a conflict in my schedule and wanted to go ahead of him.

Mr. Chairman, I am pleased you have called this important hearing.

I want to extend a special welcome to Dr. Blix. It is an honor to have you here today.

I would like to focus my opening statement on Iraq. As we all know, President Bush took this Nation to war based on his claim that Saddam Hussein would provide nuclear weapons to terrorists unless the United States forcibly stopped him. Exaggerated claims were also made by Vice President Cheney and Defense Secretary Rumsfeld. On the eve of the war, for example, the Vice President declared Saddam Hussein had reconstituted nuclear weapons, and the Defense Security boasted he knew precisely where those nuclear weapon of mass destruction were located.

Well, all of them proved false. No weapon of mass destruction were found. We learned the President's nuclear claims were based on obviously forged and discredited documents and information, and we discovered Saddam Hussein's relationship with Al Qaeda was actually one of acrimony rather than cooperation.

As a result of the administration's rush to war, the United States now finds itself in an intractable, expensive, and worsening crisis. A string of recent reports suggests that the administration's entire effort in Iraq is coming apart at the seams. For example, yesterday the L.A. Times reported, Army Chief of Staff General Peter Schoomaker took the unprecedented step of withholding a mandatory budget plan as a protest to Secretary Rumsfeld that the Army could not maintain its current activity levels in Iraq. The general is seeking a stunning 41 percent increase over current funding levels.

Also yesterday, the nonpartisan Government Accountability Office issued a report revealing the Pentagon's own auditors have identified \$3.5 billion in questioned and unsupported charges by contractors in Iraq--\$3.5 billion. That is astonishing. That is an amount as much as we have spent on the entire reconstruction of Afghanistan.

Earlier this month, General Mark Scheid, the Chief of Logistics War Plans for Afghanistan and Iraq, complained that Secretary Rumsfeld actually prohibited post-war planning, fearing that the American public would not support a sustained occupation. And when General Scheid argued that this planning was critical, Secretary Rumsfeld said he would fire the next person that said that.

But the most damning indictment, however, came this weekend when press reports revealed that American intelligence agencies completed a national intelligence estimate concluding that the Iraq war has increased the danger of terrorism against the United States, spawning a new generation of Islamic radicalism.

According to these press reports, all of the administration's 16 intelligence agencies disagree with claims by the President and Republican congressional leaders that the war in Iraq has made us safer. To the contrary, they believe that the war in Iraq has made the threat of terrorism worse by fanning Islamic extremism and providing a training ground for lethal methods that are exported to other countries.

The litany of incompetence is staggering. It is as if a massive category ten version of Hurricane Katrina struck the Middle East, and the Bush administration was called in to handle the response. But no matter how bad things get, the President's reflexive response is ``stay the course.' ' And Vice President Cheney, like Michael Brown of this disaster, continues to insist that he would not have done a single thing differently.

Today, I hope that Dr. Blix can shed some light on how the United States can avoid these pitfalls in the future, especially as the Bush administration is confronted with the delicate diplomatic task of coaxing Iran to fully adopt the goals of nuclear nonproliferation and we confront North Korea with the risk of nonproliferation, as well as we fear he may sell his weapons, even nuclear weapons, to terrorists.

Mr. Chairman, I am pleased we are holding this hearing. Let's get some more information and hopefully we won't make the same mistakes again.

[The prepared statement of Hon. Henry A. Waxman follows:]

[GRAPHIC] [TIFF OMITTED] 35767.004

[GRAPHIC] [TIFF OMITTED] 35767.005

[GRAPHIC] [TIFF OMITTED] 35767.006

[GRAPHIC] [TIFF OMITTED] 35767.007

Mr. Shays. I thank the gentleman very much.

At this time Mr. Waxman would have been recognized, so I am assuming, Mr. Kucinich, you now have the floor.

Mr. Kucinich. I want to thank Mr. Waxman for his statement and for his leadership.

Mr. Chairman, thank you for calling this subcommittee meeting. I think it was on June 6, 2006, our witness Dr. Blix was on Meet the Press and he was asked could the war in Iraq have been avoided. That is a compelling question, not only with respect to the discussion of weapon of mass destruction, but looking at the path the administration has set us upon, a path of preemption and unilateralism, the question could a war be avoided is instructive not only with respect to reflecting on what has passed, but in looking at what is prologued. so we are not only here talking about forensics; we are speaking about the future of the world and our capability to be able to assess what is happening and get what is really going on and be able to, from that point, draw policies for our Nation and the world which are sane and which are true.

Our country has lost credibility. In the last 6 years the U.S. administration has backtracked on international treaties and conventions, the administration misused the threat of weapon of mass destruction to invade Iraq, and the administration has pursued inconsistent approaches to nations who have or are seeking nuclear weapons.

One of the biggest challenges to our nonproliferation goals may, in fact, be our own policies and actions. The U.S. had rejected the Comprehensive Test Ban Treaty, refused to sign the Land Mine Treaty, withdrawn from the ABM Treaty, has not or unsigned the Kyoto Protocol, blocked the Verification Protocol for the Biological Weapons Convention, and this week, at the request of the President, Congress is poised to legalize torture of foreign nationals, despite the Geneva Conventions.

The U.S. administration has established a record of unilateralism that undercuts our Nation's credibility in the eyes of the world. The U.S. invaded Iraq in March 2003, despite the lack of reliable evidence of weapon of mass destruction by U.N. inspectors, and in response this administration championed multiple justifications for the invasion of Iraq, such as regime change and democracy. The evolving justifications led to increased uneasiness in the world about U.S. intentions.

Think about it for a moment. We were told and have been told repeatedly, well, it was just bad intelligence, when, in fact, now we are seeing that there are numerous people throughout the Federal Government who warned the administration that the information they were about to offer to the public as a justification for the war was false, fraudulent, hoax.

And so we are here in part to reassess the awful path that has been taken, policies built on a potempkin village of massive fraud and lies. It is good that Mr. Blix is here. Thank you, because when you ask could the war be avoided, Mr. Blix said on Meet the Press, ``I think so. We carried out about 700 inspections. We have been to about three dozens of sites which the intelligence had given us, and in none of these cases did

we find any weapon of mass destruction. If we had been allowed a couple of months more we would have been able to go to all of the sites given by intelligence and found no weapons since there weren't any.'

What was the rush to war all about? Somebody owes an explanation to the 2,700 families of American soldiers who gave their life. What was this war about? And what about all of the ones who have been injured? What about the maybe 200,000 Iraqis that have lost their lives and perhaps a million that have been injured. What was it all about? What was the rush about?

The growing lack of U.S. credibility greatly affects the perception of U.S. objections to an Iranian nuclear program. The administration has drawn a hard line on Iran's nuclear intentions, peaceful or not. To date the administration refuses to directly talk with Iran until Iran ceases all enrichment operations, despite the possibility that Iran's enrichment may be for peaceful uses only and therefore legal under the Non-Proliferation Treaty.

The U.S. finds itself lacking credibility in nuclear weapons proliferation. The administration has promoted new nuclear weapons for the United States in the form of bunker busters and new weapons research. The U.S. negotiated a favorable nuclear agreement with India, despite India's refusal to join the NPT and their acquisition of nuclear weapons. The U.S. supports the dictatorship in Pakistan, despite their refusal to join the Non-Proliferation Treaty and despite their acquisition and proliferation of nuclear weapons. And the U.S. refuses to acknowledge Israel's possession of nuclear weapons, despite the obvious implications that has on the surrounding nations' desires to acquire nuclear weapons.

The U.S. has effectively awarded several nations who have recently acquired nuclear weapons. Many of these nations are neighbors of nations that the U.S. is applying great pressure upon. The U.S. must treat its allies and adversaries differently, but if we are to prevent further proliferation anywhere we must oppose it everywhere, even and especially when it concerns an ally; otherwise, the world's tough neighborhoods will get a lot more dangerous due to arms races that our own inconsistencies promote.

We don't know if the U.S. has negotiated with Iran in good faith. There is evidence the administration has not. According to independent accounts in The New Yorker, GQ, ABC News, and The Guardian, the U.S. has already put operatives on the ground in Iraq to gather intelligence and prepare targeting for an invasion. It is working with MEK opposition groups to conduct lethal operations and stabilizing operations, and according to this week's Time Magazine the Navy has issued deployment orders for mine sweepers to review plans for a possible blockade of the Strait of Hormuz, an Iranian port, all about WMDs.

Before I wrap up, Mr. Chairman, I have a September 25, 2006 Time article, ``What Would War Look Like.''' Without objection, I would like it introduced in the hearing record.

Mr. Shays. Without objection.

[The information referred to follows:]

[GRAPHIC] [TIFF OMITTED] 35767.008

[GRAPHIC] [TIFF OMITTED] 35767.009

[GRAPHIC] [TIFF OMITTED] 35767.010

[GRAPHIC] [TIFF OMITTED] 35767.011

Mr. Kucinich. So, in conclusion, according to the Washington Post, U.N. inspectors dispute Iran report by House panel, September 14, 2006. A House Intelligence Committee staff report on Iran has come under scrutiny for making false, misleading, and unsubstantiated assertions about Iran's nuclear program. The final committee staff report ``included at least a dozen claims that were either demonstrably wrong or impossible to substantiate,' ' including the gross exaggeration that the level of uranium enrichment by Iranian nuclear plants has now reached weapons grade levels of 90 percent, when in reality the correct enrichment level was found by the International Atomic Energy Agency to be about 3.6 percent.

Worse yet, the DNI reviewed the staff report before publication and these exaggerations remained in the final version.

The administration's conduct at the U.N. would lack credibility if, indeed, it is true that we are following all of the steps necessary for military attack. This subcommittee has attempted to find out. In June our subcommittee held a classified Members briefing at my request to investigate. Unfortunately, neither the Department of State nor the Department of Defense participated. They refused to appear at a classified hearing. Nearly 3 months later the subcommittee has not been able to question State or DOD directly on these reports.

Mr. Chairman, thank you very much for giving me this opportunity to present this. I know that your interest in being here are the interests of the American people.

Mr. Shays. I thank the gentleman very much.

Mr. Lynch, thank you.

Mr. Lynch. Thank you, Mr. Chairman. I want to thank you and also Ranking Member Kucinich for holding this hearing. I would also like to thank Dr. Hans Blix and all of our distinguished panelists today for helping this subcommittee with its work.

Mr. Chairman, it is well known that in the months leading up to the March 2003 U.S. invasion of Iraq the Bush administration consistently asserted and communicated to this Congress as their primary rationale for confronting Iraq that Saddam Hussein's regime's active weapon of mass destruction program posed a ``grave and imminent security threat to the United States and to the stability of the Middle East region.' ' However, since the commencement of hostilities in Iraq we have come to find out that the threat posed by Saddam was not imminent, as the current administration asserted, and that the capacity for redevelopment of weapon of mass destruction was virtually nonexistent.

Between November 27, 2002, and the withdrawal of U.N. personnel on March 18, 2003, the U.N. Monitoring, Verification, and Inspection Commission headed by Dr. Blix conducted 731 inspections of 411 sites and, according to the Commission's May, 2003, quarterly report, ``In the period during which it performed inspections and monitoring in Iraq, the Commission did not find evidence of the continuation or resumption of programs of weapon of mass destruction.' ' Similarly, as of this date, U.S. forces have not located either WMD or WMD-related sites, according to CRS reports of September, 2006.

In short, our intelligence proceeding the March, 2003, invasion was significantly flawed, leading Dr. Blix to publicly

comment that, ``there was not enough critical thinking, neither in the intelligence agencies nor at the Governmental level, prior to military action in Iraq.''

Now, in this subcommittee we have asked on five separate occasions--Mr. Kucinich, myself, and Mr. Waxman, the ranking member of the full committee--that we hold congressional hearings on how we were misled by the intelligence report supplied by the administration and to investigate whether we were deliberately misled in our decision to authorize military force against Saddam Hussein.

But the investigation and inquiry is not merely looking back, it is also forward-looking, because now, almost 4 years later, we are now seeking to address the potential security threat posed by Iran's nuclear technology activities, and specifically the country's pursuit of a uranium enrichment program. While Iranian President Mahmoud Ahmadinejad, his public threats against the United States and Israel, continued developments in Iran's nuclear technology capabilities and Iran's sponsorship of terrorism do strongly indicate that Iran does pose a serious strategic threat to the U.S.

Significant gaps continue to remain in our intelligence on Iran's nuclear weapons capabilities. According to the House Intelligence Committee's August, 2006, bipartisan staff report on the Iranian threat, ``We lack critical information needed for analysts to make many of their judgments with confidence about Iran, and we don't know nearly enough about Iran's nuclear weapon program.''. Furthermore, they continue, ``Although it is likely that Iran is pursuing nuclear weapons, there is still a possibility that Iran could be engaged in a denial and deception campaign to exaggerate progress on its nuclear programs such as Saddam Hussein apparently did concerning his WMD programs.''

Mr. Chairman, drawing upon the lessons of our collective experience in Iraq and given the intelligence gaps that remain regarding Iran's nuclear program, I would suggest at least part of today's hearing include a discussion on whether arms limitations and disarmament must necessarily include a dialog on how best to facilitate the timely confirmation and gathering of accurate and comprehensive information on WMD threats so that we can better assess a particular state's nuclear plans, goals, and capabilities and promote the development of effective national and international policy. To this end, I again welcome Dr. Hans Blix and our panelists' thoughts on how address existing intelligence gaps regarding nuclear proliferation advancements, as well as other means by which to strengthen the nuclear nonproliferation regime. Again, I would like to thank all of you for your testimony.

I yield back the balance of my time.

Mr. Shays. Thank you very much.

Mr. Duncan.

Mr. Duncan. I have no statement, Mr. Chairman. Thank you for calling this hearing.

Mr. Shays. You are welcome.

We will take care of some business.

I ask unanimous consent that all members of the subcommittee be permitted to place an opening statement in the record and that the record remain open for 3 days for that purpose.

Without objection, so ordered.

I ask further unanimous consent that all witnesses be permitted to include their written statement in the record.

Without objection, so ordered.

We have three panels, so it is going to be a fairly long day. This is ultimately about weapon of mass destruction, current nuclear proliferation challenges.

Dr. Blix, we welcome you. I just want you to know that Members may ask questions that are somewhat off the issue here and they are free to ask those questions. What I will be doing on my turn, I will be asking you questions like why doesn't the Nuclear Non-Proliferation Treaty address the issues of nuclear terrorism, how should the Nuclear Non-Proliferation Treaty be amended to address the threat of nuclear terrorism. I just wanted you to know I will be wanting to get in these issues of how has the nonproliferation regime shifted to combat the threat of nuclear terrorism and asking you a variety of other issues of where we need to see amendments to the treaty and what efforts our country should be making.

You may be asked questions about Iraq and you can answer or not answer, depending on your decision.

As you know, we swear in our witnesses. I appreciate your willingness to be sworn in. When you become a diplomat again we won't swear you in.

[Witness sworn.]

Mr. Shays. Note for the record our witness has responded in the affirmative.

I thank you, Dr. Blix, because I went to see you a few years ago in Stockholm and wanted to ask the question why did Saddam Hussein want us to think he had weapon of mass destruction, and you were very generous in spending about 2 hours of your time from a vacation. I will never forget that visit, and I am very appreciative that you would have been so generous with your time. I appreciate that you would be here today and say that we are eager to hear your testimony.

Thank you, Dr. Blix. You have the floor.

STATEMENT OF HANS BLIX, CHAIRMAN, THE WEAPON OF MASS
DESTRUCTION COMMISSION

Dr. Blix. Thank you very much, Chairman Shays. I am pleased to be invited by you and by the subcommittee to the Hearing on nonproliferation challenges.

The NPT is a central instrument through which non-nuclear states commit themselves to remain without nuclear weapons, and for the nuclear weapon states, five of them, to commit themselves to prevent a further spread of weapons and to act for nuclear disarmament.

I note with appreciation the efforts that you have made, Chairman Shays and others, to move into the U.S. Congress the resolution 133 of last year, which underlines the importance of the NPT and of the need for disarmament measures on behalf of the nuclear weapon states. And then I remind you that next year is the first preparatory committee meeting for the NPT Review Conference that is to take place in 2010, so I think it is time now to begin to think what are countries going to say at next year's preparatory meeting.

As the chairman of the WMD Commission, which was an independent commission which was established or financed by the Swedish government, I remain keenly interested in the question of nuclear weapons and the NPT, and as the former Director General of the International Atomic Energy Association, I am responsible for the safeguard system. I also have a continuing interest in it and, of course, as chairman of the Hamlich in

New York I have a lot of hands-on experience, shall we say.

I have submitted some written testimony to the Commission and I have also submitted a few corrections in it, which I hope you will take note of, but at this point, Mr. Chairman, I would like to stress the following:

The first point is I think there is a very strong need at the world community, including the United States, to become aware of the erosion that has taken place in the implementation of the NPT, both on the side of non-nuclear weapon states, or states that should have remained non-nuclear, and on the part of nuclear weapon states. Kaufman was talking about the world sleepwalking into a new phase of disarmament, and that commission which I headed and which presented this report, Weapons of Terror, precisely says that we think that there is a need for a revival of the efforts of arms control and disarmament.

I received questions from your commission and I have answered them in my written submission, but here I would like to rather think of chronologically what may be of most of all needed at the present time. And then I would agree with those that say that Iran is an acute case. Iran and North Korea are acute cases and they need to be dealt with acutely. They are on the top of the agenda in the media and I think they should be on the top of our agenda.

In the case of Iran, the commission that I chaired has commented in detail upon it, and we have also commented in detail about North Korea. We agree with those who say that it is desirable that Iran should suspend the enrichment program. The question is how one will get to that, and I think we agree, we say that the first condition is that one should try to create a situation in which the country does not feel a need for nuclear weapons. We, therefore, point particularly to the question of security.

Most countries that have gone for nuclear weapons have done it because they felt a security need. Certainly India looked at China, Pakistan looked at India, Israel looked at the Arab states, and so forth. In the case of Iran, too, one should keep that in mind. And how can one do that?

Well, I think that to compare the efforts made to get North Korea to stay away from nuclear weapons, you find that in the negotiations the North Koreans had been offered assurances about security, and they have also been told that they might get diplomatic relations with both Japan and the United States, and thereby being taken out of the ostracism to which they have, for various good reasons, been subjected. Both of these measures are there in order to assure them that their security would not be threatened, that they would not need nuclear weapons.

I think the same thinking would be needed in the case of Iran. From what we have seen about the offered diplomatic negotiations, there has been nothing held out about either security or diplomatic relations.

These are the two most acute cases, but if I go in the order of acuteness then I would say that the Comprehensive Test Ban Treaty is next in line. It is now celebrating its tenth anniversary. The Commission thinks that there could be a positive domino effect if the U.S. were to ratify. We, frankly, directly urge the United States to reconsider the position it has when the Senate rejected the Comprehensive Test Ban Treaty. We think that if the U.S. were to ratify it, then very likely others would follow--China, India, Pakistan, Iran, etc.

At the present time I think there is particular importance in getting the U.S. and China, because the two countries are involved in the negotiations with North Korea and it would be highly desirable that North Korea ratify the CTBT, because if they don't the treaty cannot enter into force. That ought to be an element in the negotiations, but it might be hard, both for the U.S. and for China, to urge the North Koreans to ratify the CTBT so long as they, themselves, have not done so.

Next in line on my list would be the Fissile Material Cutoff Treaty; that is to say, the treaty that will demand prohibit the production of plutonium and rich uranium for weapons purposes. The United States has recently tabled a draft on that subject in Geneva at the Disarmament--well, not in the Disarmament Conference, because it is not meeting as such, but, at any rate, for the conference.

That draft, which I think has been welcomed, nevertheless misses one important point, that is verification. It always used to be felt and the U.S. supported in the past such a treaty with verification, and this draft does not contain it.

I think when we look at the negotiation that has been done between the United States and India, you will appreciate that it is a severe lack in that draft submitted by the U.S., because if India, under this agreement with the United States, would be able to import nuclear fuel, there is also a possibility--I am not saying that it is a reality, but the possibility that they could use their own uranium for making more material for weapons. And if there is no agreement on the prohibition on making more material for weapons and no verification of it, then there is certainly a risk that both Pakistan and China would not trust such an agreement, and hence an FMCT with verification would be very important and we would hope that the U.S. would amend its proposal in this direction.

Next the ultimate point would be Biological Weapons Convention which will come up for a review conference later this year, toward the end of this year, where there are no provisions about implementation. This is certainly a weakness in the convention and the Commission that I headed came to the conclusion that we would need a multifaceted instrument for the implementation of it, including a secretariat, including also means of verification.

And the last point, Mr. Chairman, that I mention is the Space Treaty. Next year there will be a conference on the Outer Space Treaty, and we know that not long ago some states in Geneva wanted to take up the issue of space weaponization and it was turned down. There were two states that were against it, the United States and the U.K. Accordingly, since the conference operates by unanimity, they could not land on the work program.

There is relatively little public discussion in the world about the risk of weaponization of space, but there is a lot of money spent on it, and the Commission which I headed takes up the issue and points to the need that we also embark on that.

So all these measures, I think if movements were made of them that would also help to strengthen the Non-Proliferation Treaty.

Thank you.

[The prepared statement of Dr. Blix follows:]

[GRAPHIC] [TIFF OMITTED] 35767.013

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[GRAPHIC] [TIFF OMITTED] 35767.021

Mr. Shays. Thank you very much, Dr. Blix.

Doctor, the bottom line is you focus on weapon of mass destruction and they include chemical, biological, radiological material, and nuclear; is that correct?

Dr. Blix. Yes.

Mr. Shays. But today we are going to focus pretty much on the nuclear side.

Dr. Blix. OK.

Mr. Shays. At this time I would recognize Mr. Duncan for 10 minutes. We are going to do the 10-minute rule.

Mr. Duncan. Well, I won't take up that much time, Mr. Chairman, but I do thank you for recognizing me at this point.

One thing I am curious about, Dr. Blix, how hard or how easy is it to make nuclear waste? So many people in our country seem to have the opinion that just somebody, some very small group like two or three people, if they knew what they were doing, they could make a suitcase nuclear bomb and carry it over here some way. I am just curious as to how you would respond to that. I wonder. I assume it is a very difficult thing that would involve many people, but I am just wondering about that.

Dr. Blix. Mr. Chairman, I am a lawyer and I am not very good at making nuclear weapons, but I did read some time ago about some Ph.D.'s in California that had been given a year to try to do it and it was claimed, at any rate, that they were able to do so within the span of a year. Nevertheless, we see what Iraq has tried and we see what the North Koreans have been trying, and the Iraqis had come to the stage of enriching uranium at very old-fashioned methods before they switched onto centrifuge. It took them a long time.

There are some doubts as to whether the North Koreans really have a nuclear weapon. They have declared that they have them, but there are some people who think that they have found it difficult to do it with plutonium, that this might be a reason that they have switched and want to have enrichment. They have been active for a great many years. I was, myself, in North Korea in the beginning of the 1990's, and saw the reprocessing plant, and they have been at it for a long time.

Now, it is reported that the Iranians' enrichment program started some time in the 1980's, in the late 1980's. They then speculate why would they do it. My guess would be that they were suspicious about Iraq. They were right. I mean, that was the time when Saddam Hussein actually was working on it. But this is now 20 years ago, and the report was last spring that they had succeeded in enriching some gram quantity, a milligram quantity, 3.5 percent, so it cannot be all that easy to do it.

Mr. Duncan. Well, the more general question then, which do

you think is the more dangerous threat for a nuclear weapon, a rogue nation or a terrorist group?

Dr. Blix. I think rogue nations, to use your term, is much the more danger, greater danger, because states, on the whole, have much greater capacity. It requires a lot of infrastructure if you are to build it up yourself by starting from enrichment.

Now, considerably some group could steal a weapon somewhere. Well, then they would avoid all that problem. But in the disarmament community I think there is more concern when it comes to terrorists that they might go for dirty bombs. Dirty bombs are not based upon fission, an explosion, but they are based upon putting together cesium or cobalt or some such stuff which is radioactive, and you combine that with explosives and set it off somewhere in an urbanized area. Then you can have a lot of contamination and a lot of terror certainly happening.

These materials, cesium and cobalt, are things that are pretty much spread over the world in industry and hospitals.

Mr. Duncan. Now, how many nations have what you would describe as major weapon of mass destruction?

Dr. Blix. Well, if you count them all, if you include the biological and chemical, then you come fairly high up in number. I don't know whether it is 35 or 40 or 50 or something.

Mr. Duncan. Right.

Dr. Blix. But when you confine yourself to the nuclear, then you have eight or nine, depending upon whether you include North Korea.

Mr. Duncan. Eight or nine have nuclear weapons?

Dr. Blix. Five original centers, if I use the expression, and then, in addition to that, India, Pakistan, and Israel, and then maybe North Korea.

Mr. Duncan. So the United States and most of our allies, then you would have the rogue nations such as North Korea, if they have it?

Dr. Blix. I think there is some misunderstanding that the world is full of would-be proliferators, that any country would like to have it. I don't think that is the case. If you look at the map and you ask yourself, well, what about Egypt, what about Syria, what about Turkey? I think when you begin to look at the concrete cases you become a little more skeptical. I mean, longer-term, yes. It is not a matter. And if Iran were to move ahead and if North Korea were to move ahead, that could have domino effects in the longer term.

I think it could also have longer-term effect if we do not get an objective effort at arms control and disarmament, if they simply say that they will be constructing new types of nuclear weapons, if the U.K. takes a decision that they will prolong their Trident program far into the next century, and if the military doctrines will allow a greater fighting use for nuclear weapons, then we may also have a new risk such as we had when the NPT was drafted once.

Mr. Duncan. Which countries in the Middle East are signatories to the treaty?

Dr. Blix. Well, I think all apart from Israel are.

Mr. Duncan. All of them except Israel?

Dr. Blix. Yes.

Mr. Duncan. All right.

Thank you very much, Mr. Chairman.

Mr. Shays. Would the gentleman yield time to me?

Mr. Duncan. Sure. I yield back.

Mr. Shays. Dr. Blix, I would like to just focus first on the issue of I would like to separate the material versus the

weapon, itself. My concern isn't a suitcase bomb, because I think that tends to be more sophisticated. My concern isn't the weapons at the head of a missile. That is very sophisticated. But I have gone to Los Alamos and I have seen a nuclear weapon constructed with pretty basic material. It is not sophisticated. It was fairly large. It was pretty awkward. But my view is a terrorist doesn't care how big it is, how inefficient it is. As long as they can get a nuclear explosion, they have achieved their objective.

So I want to separate the capability to make the weapon and the challenge in getting the weapons grade material. Which is your biggest concern on the part of not a rogue nation but on the part of people within potentially a rogue nation.

Dr. Blix. Well, the focus of international tension has been more on the material, on enrichment. We see today very active discussion about limitation of enrichment in the world.

The thought is that there will be more nuclear power used in the world, and I agree and I support that notion, but the fear is expressed at the same time that then there will be a need for more enrichment capability. And if you have enrichment capability to 3 percent, you also have it to 93 percent, so there is a justified concern about that, an active discussion in which the U.S. Government has some ideas, Mr. Abardi in India has come forward, the international fuel bank, and so forth.

I think this is valid and an important discussion that will take a good deal of time, and that is the major focus.

Now, when it comes to the missile, the ready-made things, their request is delivery, and you refer to the suitcase bombs. I remember we discussed it in our commission and it was not rejected that small, small nuclear weapons could exist. The Russian general--I think Libid was his name, was talking about that and was denied at the time by Russian authorities. However, apparently they can become rather small. I think it is a particular reason why one would wish to eliminate so-called tactical nuclear weapons. We differentiate between the strategic weapons, which are bigger and use missiles, or the tactical ones. You have had nuclear artillery, have had nuclear mines. They cannot be very big. And, of course, if they are stored in any manner that is not secure, then they would pose great risk.

We were proposing in this report that for the European theater, European and Russian theater, that there should be no nuclear weapons at all in western Europe, that all nuclear weapons should be in countries that own them, so that U.S.-made nuclear weapons would be withdrawn from the European continent. But at the same token, that the Russians should withdraw their tactical nuclear weapons into central storage into Russia.

All in all we think that one should go further on with the destruction of tactical nuclear weapons. The agreement between Bush and Gorbachev in the early times was not a binding agreement. Our Commission think that it should be made such.

Mr. Shays. When I was confronted with weapons grade material, when I held plutonium in my hand it was warm to the touch but I could still hold it. When I held enriched uranium, it didn't generate the type of heat and it was small. It seemed to me a huge concern that it could get outside the hands of the government that actually produced it.

With North Korea, we negotiated a treaty to stop their plutonium program, and then this administration recognized they were doing enriched uranium. It strikes me that enriched

uranium is a bigger concern, given its capability of detonation. Am I correct? I mean, I am talking about a terrorist getting hold of weapons grade material. Wouldn't our biggest concern be enriched uranium?

Dr. Blix. Well, we know that North Korea has plutonium. We cannot be absolutely sure that they have weapons, but they have plutonium. The IAEA inspections that we set in motion early in the 1990's concluded and showed that they had more plutonium than they had declared. That was how the whole crisis began. And then an agreement was reached with the so-called agreed framework under which they would freeze their nuclear program, and they did not make any more plutonium during the 1990's until that agreed framework sort of collapsed. And when it collapsed the world also began to suspect that they were going for enrichment, and they declared so at one time but they withdrew the statement. It is still suspected that they did.

Mr. Shays. But the question I have--and I want to turn it over to Mr. Kucinich--is I am talking about the weapons grade material getting in the hands of a terrorist, not a rogue nation using a more sophisticated plutonium weapon. My question to you--and if you don't have an opinion, that is OK--isn't our concern, when it relates to terrorists, that the more-easily detonated weapon is one using enriched uranium, and that would be our biggest fear in terms of terrorists getting hold of it?

Dr. Blix. I am not sure I hear every word. I am a little poor in hearing. But I understand that you are asking about the differentiation between an enriched uranium involvement and plutonium involvement.

Mr. Shays. Right, and which is a weapon of choice for a terrors, which weapons grade material would be?

Dr. Blix. I think enriched uranium.

Mr. Shays. Right.

Dr. Blix. That is the judgment I have of experts.

Mr. Shays. Because if you get plutonium it needs to be a more-sophisticated weapon, right?

Dr. Blix. Yes. That is my understanding.

Mr. Shays. Right. And our concern or my concern is that terrorists have the capability to build a weapon that could detonate enriched uranium. They would have a harder time creating a weapon for plutonium. That was basically----

Dr. Blix. Yes. That is my understanding. It is harder to make a bomb with it, but the advantage is that it is smaller.

Mr. Shays. Well, the advantage of any sophisticated weapon is that it is smaller, but a sophisticated weapon is important if you want to put it on the tip of a missile, but if you are willing to stick it in a room you don't give a darn how big it is or in a big van. You don't care its size, you don't care its looks, you don't care how streamlined it is, you don't care about anything other than can you get this thing to create a nuclear explosion.

Dr. Blix. I would agree with you.

Mr. Shays. OK. Let me call on Mr. Kucinich.

Mr. Kucinich. Again, I want to begin by thanking once more the chair of this subcommittee. I think that, despite the fact, Mr. Chairman, that you and I may have our differences on some of these issues, I want to say that without--and I think this needs to be said, in fairness--without your active participation and your active efforts, there wouldn't be much public oversight at all in this House of Representatives, and I just want to make sure that is said because, you know, we are in a political environment here where it needs to be recognized

when people have the courage to open up discussions at times that it might not be the most politically opportune for the administration.

I want to begin by again thanking Dr. Blix. Dr. Blix, you spoke about space weaponization, which is an issue that I have been concerned about for years. As a matter of fact, there is a bill that I have introduced in the last few Congresses to ban the weaponization of space that now has 35 cosponsors.

Are you familiar with the administration plan called Vision 2020? Mr. Chairman and Dr. Blix, Vision 2020 in its literature is about the weaponization of space and claims that it is the destiny of the United States to achieve 'the ultimate high ground,' which is domination from space.

Could you explain to this subcommittee why such an ambition may be counterproductive?

Dr. Blix. Well, I think that any such measure is likely to draw countermeasures from the other side. I am old enough to have participated in the creation of the Outer Space Committee of the United Nations, and the conclusion of the Outer Space Treaty, which sought to insulate and to immunize space from weaponization, and where the parties even commit themselves to pursue the exploration of space in a manner that would not lead to any contamination. But that sort of cautionary attitude that we had those days seems to be gone altogether when we are talking about the risk of even placing weapons there.

The risk of anything going off by mistake and debris spreading in that area is one that I think has not been much discussed publicly and which might be a disaster. We have an army of engineers who are using space for our mobile phones and GPS and all of it and investing billions if not trillions of money in it, and then we have another army of engineers who are busy to find out how we can shoot down, how we can destroy it. I think all that requires much more of the public discussion, and I was sorry that this item was not agreed to be discussed in Geneva at the present time.

Mr. Kucinich. You have never seen any evidence that there are weapons of mass destruction on the moon, have you?

Dr. Blix. On the moon?

Mr. Kucinich. Right.

Dr. Blix. No. I think that is an area where they had prohibited. Nuclear weapons are prohibited in various environments, of course.

Mr. Kucinich. I think that your recommendation 45 about calling on states to renounce the deployment of weapons in outer space is something that this Congress and the next Congress is going to have to have intensive hearings on.

I noted your discussion about what happens when nations aspire to gain nuclear weapons. We are talking about Iran. Do you think that it would be in the interest of the United States to have direct talks with Iran or any other country that had the ambitions, stated or assumed, for nuclear weapons?

Dr. Blix. Yes. I think so. I think that the negotiations that have been carried out by the Europeans, the U.K., France, and Germany have been geared in the right direction.

First of all, I have told the Iranians that they need not go for enrichment to have fuel for their reactors. They can have national assurance of supply. Although Iran has had poor experiences of such assurance of supply in the past, I think there could be arrangements made under which Russia and others would assure them of supply. I don't think that there really is strong economic reasons for Iran to go to an enrichment

program. It would be much cheaper for them to buy enriched uranium in the international market as Sweden or Switzerland does. I think it is probably the assurance of supply that could be a relevant factor.

Iran does not have very much uranium in the ground, so eventually they would be dependent upon import, anyway.

The Europeans then I think have taken the intelligence stand of yes, we will offer you an assurance of supply. That is the first point.

But moreover I think they have also been wise in stating that we will actually support a peaceful nuclear program in your country. We will be ready to sell you reactors, but only the peaceful sector, but thereby, nevertheless, underlying in that, we are not against Iran as a high technology country. We are not trying to suppress a developing country here from coming into the modern age. I think that is a wise step, as well.

And then there is economic good that they are offered membership to the World Trade Organization and the investment, and so forth, but what has been missing, I think, so far is any talk about assurances of security.

Mr. Kucinich. You know, that is the next point, and that is that if you are going to seek to avert some kind of a crisis from building, first, direct talks; second, there has to be assurances that you are not going to attack the country; is that correct?

Dr. Blix. Yes.

Mr. Kucinich. Because if Iran thought that the United States was going to attack it, what type of behavior would most likely occur with respect to nuclear issues?

Dr. Blix. Yes. I think that one is likely to get better results with an offer of security than with threats of attack.

There is one further element, Mr. Congressman, that I think is relevant. That is this business about preconditions. I mean, the Security Council has said now in a resolution that they demand of Iran that they should suspend the enrichment program, and thereafter there is a willingness to sit down and to discuss what could they be given.

Well, think of a game of cards. Who wants to toss away your trump card before you sit down to play? So it seems to me that is very understandable from the Iranians' point of view that here is their leverage, that they might continue with enrichment, and they are apparently now ready to sit down to discuss that. Whether in the last resort they would go along I don't know, but I certainly think that ought to be explored.

Mr. Kucinich. As I am sure you are aware, the Intelligence Committee of the U.S. House of Representatives released a staff report last month on Iran entitled Recognizing Iran as a Strategic Threat: an Intelligence Challenge for the United States. Subsequent to its release, the IAEA responded that the report contained erroneous, misleading, and unsubstantiated information. Are you familiar with the report?

Dr. Blix. Yes.

Mr. Kucinich. I understand that the report's author used both open and classified U.S. intelligence information to reach the conclusion that Iran was actively pursuing a nuclear program and presented a formidable threat to the U.S. I am concerned about the gross exaggerations made in the report. For example, the staff report stated that the uranium enrichment level at the Natans Pilot Fuel Enrichment Plant was at `weapons grade levels.' Now, according to the IAEA, the

enrichment level at that plant is only 3.6 percent. Do you believe that a 3.6 percent enrichment level is weapons grade?

Dr. Blix. No, of course not.

Mr. Kucinich. And how many centrifuges would be required to enrich uranium to weapons grade level?

Dr. Blix. I really don't know how many. It depends on how long time working in centrifuges.

Mr. Kucinich. Could it take thousands?

Dr. Blix. Yes, it could. Yes. Very likely. They have what is cascade now of 168 centrifuges, or something like that, but with that they cannot do very much.

Mr. Kucinich. Now, this report also insinuated that IAEA safeguards inspector, Christopher Charlier, was removed from his position for raising concerns about Iran's nuclear program and concluding that Iran sought to acquire weapons. My question is, What are the rights and duties of Iran toward allowance of safeguards and inspectors within its territory?

Dr. Blix. Well, it was mistaken on behalf of the investigators. The reality is that under the safeguard system the recipient country can veto and say no to any inspector. They have a right to do so. They don't have that under the OPCW, the chemical sphere, and I think it is pity that they have it in this nuclear sphere, but that is a reality with which the acting general of the IAEA will have to live. So I think the Iranians raised an objection to Mr. Charlier and then he had no choice. He had to drop him from active inspection, which doesn't mean that he doesn't work on the issues in the IAEA. I don't know whether he does.

Mr. Kucinich. How many IAEA inspectors, if you know this, have currently looked at Iran's program in accordance with their safeguards agreement?

Dr. Blix. According to the newspaper that I saw, they have about 200 inspectors whom Iran has approved.

Mr. Kucinich. Is that a large number?

Dr. Blix. Normal. Normal number.

Mr. Kucinich. That is normal.

Mr. Chairman, are we going to have another round of questions?

Mr. Shays. We will have another round. I haven't yet used my time, and my colleague from Massachusetts hasn't used his first round. I will go to you first and then I will conclude with my round and then we will do another round.

You have the floor, sir.

Mr. Lynch. Thank you, Mr. Chairman.

Dr. Blix, again I want to thank you for being here today.

The minority has asked on five separate occasions to have hearings on the intelligence on weapon of mass destruction prior to the invasion of Iraq. We have asked on five occasions and we have yet to get permission from the leadership of the majority.

You have written a book about that period that is central to our inquiry, and so I would like to just as you, you have written a book describing your experiences as the head of the U.N. inspection team in Iraq in 2002 and 2003, the period that we are desirous of looking at. The book is called, Disarming Iraq, and it provides, I think, a fairly astute and keen insight into the weeks and months directly before the war. I would just like to ask you a couple of questions about your observations.

One of the most interesting and probably the most disturbing parts of your book is your description of how the

Bush administration manipulated the intelligence in order to make its case for the war. As we all remember, the centerpiece for the Bush administration's case for war was that Saddam Hussein, while he didn't have the launching capabilities for a nuclear strike against the United States, the fear here in Washington and elsewhere was that if he constructed a nuclear weapon he could deliver it to terrorists who could then work its way into the United States.

This is what you say in your book. I will quote the passage here. It is at page 270. You say that, ``If there was any one weapons area where all, including the U.S., had felt Saddam was disarmed, it was the nuclear area. It took much twisted evidence, including a forged uranium contract--'' the Niger document, I presume--``to conjure up a revived Iraqi nuclear threat, even one that was somewhat distant. It is far more probable that the governments were conscious that they were exaggerating the risks they saw in order to get the political support they would not otherwise have had.''

This would be a central part of our inquiry if we were allowed in other forums.

Could you tell me more about this, about what the effect of the credibility of the U.S. Government became as a result of these, as you described, exaggerations?

Dr. Blix. In the autumn of 2002, when we started our inspections in Iraq--and I will say also that I don't think Saddam would have gone along with inspections if it had not been for the military buildup by the United States. I am not a passivist. I am not someone who says that you must never use military pressures.

Mr. Lynch. I understand.

Dr. Blix. I think that had a positive effect. But in that autumn of 2002 they wanted to describe the Iraqi threat in stark terms in order to get support for the pressures they wanted and eventually the war that they waged. But already that autumn you had American experts like David Albright here in Washington who said that the well-known aluminum tubes that were described as were being used in centrifuges, that it was very doubtful whether that was true.

We heard about the uranium contract with Nigeria, but my colleague, Elbarday, succeeded me when I was in charge. I was not in charge. But I was somewhat skeptical about it when I heard about it because import of yellow cake that was very long--yellow cake is a long way from a nuclear weapon. I ask myself why would they want to have yellow cake. That was my layman's reaction.

It took a long time before the IAEA got a copy of this agreement, and it took them, I think, less than a day to see that it was a forgery. I know all the debates and I read some about them here in Washington about the Valerie claim and Mr. Wilson and so forth. What I would like to stress is that my colleague and friend Elbarday, he sat in the Security Council next to me before the war broke out and he said that we have had this contract and I can tell you that is not authentic. That was diplomatic language, it was not authentic. It was a forgery. So it was something that was known before the war.

When I write in my book that I think that they did not exercise sufficient critical thinking about it, and I think that in the autumn of 2002 one should ask oneself with very critical thinking what is this. As it seems at any rate it was known within then, there were doubts, skepticism within the administration about the validity of the contract;

nevertheless, as I said somewhere else, I think, they chose to replace question marks by exclamation marks.

Mr. Lynch. Just to followup on that, we are talking about a very, very critical decisionmaking process within our Government, within the U.S. Government. I was a new Congressman at the time, sat in on dozens of briefings with Secretary Powell at that time, the National Security Advisor, Condoleezza Rice, went to the White House and sat with CIA Director Tenet, met with the joint chiefs. All of the info that we were getting was consistent with the fact that there was an imminent threat from Saddam Hussein.

Additionally, in the interest of a broad base of information, I sat with David Kay, who I believe was the chief weapons inspector under the Clinton administration before you, sir.

Dr. Blix. No.

Mr. Lynch. Certainly in that time after the first Gulf War when they were removing materials.

Dr. Blix. No.

Mr. Lynch. So maybe not just before you, but some time prior, and Martin Indyk, who was also a Clinton administration official in the Middle East, as well. All of that information was in harmony. It was all wrong, but it was in harmony.

Given the perspective that you had and have, how do you reconcile that, that all of that information was going in a totally different direction? And we are not talking about one or two facts; we are talking about a steady drumbeat of information fed to the press, fed to the Congress that led inexorably to an invasion, and now, in retrospect, given the hard facts, given the lengthy inspections on the ground there, the physical verification, and then reexamination of information that we have been given previously--the Niger documents, the tubes, all of that--do you have any further thoughts on that?

Dr. Blix. Yes, I think that, to me, one of the lessons of the intelligence and Iraq affair is that one should take international verification and inspection more seriously. I think there was a tendency to disregard what comes out of an international organization and to give automatic credence or much greater credence to national intelligence. I am not against national intelligence. I have met many of them. I have great regard, respect for many of them, put their lives at stake, and so forth, and I think it is necessary in the age of terrorism. I am not against it. But I simply think that here you have a government sitting on the center. They are interested in what is going on in rogue countries or elsewhere. They get streams of information. They get streams of information from their own intelligence and they also get the information from international inspection, from the chemical people and from the nuclear people. They can compare.

They operate with very different sources. The intelligence, they have a lot of defectors. They spend billions of dollars to listen to our telephone conversations, etc., and some things are sifted out of this. That may be valuable. International organizations do not receive the defectors. They don't go to them. They can't give asylum. They go to the country. But they are on the ground. They can go into the buildings. They can ask for documents and they can ask for explanations.

Hence, I think the government that sits there and has both sources, they should rely on both sources. I think that in the case of Iraq, regrettably they did not pay so much attention to

it, or at least they didn't appear to pay much attention to what the international inspections said.

Even now when you look at Iran we hear various stories and speculations that, well, we can listen to that, but most of the information that has come out of Iran, nevertheless, comes from the IAEA investigation of it.

Mr. Lynch. Thank you.

I yield back, Mr. Chairman.

Mr. Shays. Thank you.

Dr. Blix. Can I add, Mr. Chairman, something about the costs, also? If I remember rightly, the cost of the IAEA safeguards inspection per year was certainly far below \$100 million when I was there. I think it is still below \$100 million per year. When you think about the intelligence cost to look after Iraq, Iran, North Korea, I think you will see that is a very good bargain to have international inspection.

Mr. Shays. Let me take my 10 minutes for the first round and just ask you, actually, before I start my set of questions, do you give the United States credit for having impact on Libya? And then I am going to ask you, does the United States get any credit in outing Iran and North Korea, in your opinion, to the fact that they were moving forward with a program that should concern us?

I have maybe a view that Europe didn't seem to think Iran was moving forward and North Korea wasn't moving forward, so set me straight if I am wrong, but I would like to get your opinion.

Dr. Blix. You asked about Libya?

Mr. Shays. First, yes.

Dr. Blix. Well, I don't know enough about the background of it. Libya was always one of those places where you felt there was a little smoke coming out. I was there, myself, once and I saw the research reactor, which was in rather miserable condition at that time.

Mr. Shays. I am not suggesting that they were advanced, but they were moving forward with a program?

Dr. Blix. Yes, it is clear that they did, and it was not the IAEA that discovered it.

Mr. Shays. Right.

Dr. Blix. This came rather through intelligence, and then they intercepted their ship which contained, I think, various equipment.

Mr. Shays. And so my question is, you know, with all the beating up that the United States gets, do we and others deserve a little credit in turning that around? They gave us their program, as well as other weapon of mass destruction program, and I use the Israelis as the harshest critics. They said this is a turn-around that is for real.

Dr. Blix. Yes. It may well be that the U.S. has the credit. How much goes to the U.S. and how much goes to the U.K. I cannot tell you.

Mr. Shays. Fair enough.

Dr. Blix. But the two of them together, yes.

Mr. Shays. Does the United States deserve any credit for calling the question on North Korea, because the sense was North Korea stopped their program. They negotiated. They just were doing another program which to me just spoke totally against the spirit of their agreement. Does the United States deserve any credit in confronting and exposing the fact that North Korea was, in fact, moving forward with a program?

Dr. Blix. Well, the U.S. satellites had picked up the

reprocessing plant in North Korea before the IAEA was there. We were allowed to carry out safeguard inspections.

Mr. Shays. I am not putting criticism on the IAEA. That is not my point.

Dr. Blix. No. I realize that. But I think that the first discovery that they were not honest came through the Agency.

Mr. Shays. So the United States is basically saying we have a problem here. So my next question is, What kind of credit does the United States deserve in terms of saying Europe, you basically said Iran is not moving forward with the program, we disagree. Who basically deserves credit in calling the question on Iran?

Dr. Blix. I think the Europeans were concerned about the enrichment program, but they did not assert that it was a program intended for nuclear weapons. I think they had moved somewhat in that direction after some of the evidence that has come up, the fact that the Iranians were receiving documents about research and then centrifuges.

Mr. Shays. Do you have any sympathy for the United States and the Brits, given that we basically helped bring attention to three countries that were moving forward with a nuclear program?

Dr. Blix. I think we should all be concerned about that, and I certainly----

Mr. Shays. But do you give the United States any credit for its efforts in each of those?

Dr. Blix. Yes.

Mr. Shays. Because you deservedly have reason to be concerned about Iraq. Let me ask you, finally, the outing of the father in Pakistan of their nuclear program, who basically is responsible for outing and calling Pakistan on the fact that they were incredibly culpable in spreading a knowledge of a nuclear program to other countries? Who deserves credit for that?

Dr. Blix. As far as I know the discovery came in the context of the Libyan affair----

Mr. Shays. Right.

Dr. Blix [continuing]. When they intercepted the ship and then they tried to find out where did the material come from. That was intelligence.

Mr. Shays. Yes, that was intelligence. Again, it is the United States, Great Britain maybe more than the United States----

Dr. Blix. Yes.

Mr. Shays. So I just want to say, when I think of that I say well good for you, United States. Good for you.

Dr. Blix. I agree with you. I think both intelligence and inspection are desirable, both.

Mr. Shays. Right.

Dr. Blix. I am not against intelligence, but I am against an exaggerated and non-critical examination of it.

Mr. Shays. Fair enough. Let me ask you, I want to focus on the Non-Proliferation Treaty as it relates to terrorism. I basically conclude--and tell me if you agree--I basically conclude that the terrorists are not going to be able to create weapons grade material. The question is are they going to be able to get it from some country. That is where my fear is. But I have no question about the capability of terrorists to be able to create a very inefficient, large, bulky weapon that could create a nuclear explosion. So my question isn't with whether they can build it. I think they can and I think they

will. Really the question comes to this whole hearing: how do we make sure that weapons grade material doesn't get into their hands?

Europe is not totally in agreement with it, but the 911 Commission said we are not fighting terrorism, we are confronting Islamist terrorists. They were pretty clear about it. It was ten members, Republicans and Democrats, Liberals and Conservatives. They all agreed on that one point. We are confronting Islamist terrorists.

I basically conclude you are not going to find them in Iceland. Our basic concern is in the Middle East, candidly, and obviously through Pakistan and so on.

I want to know, do you find that the Non-Proliferation Treaty in any way addresses the concern of nuclear terrorism, basically a nuclear weapon and a weapons grade material getting in the hands of terrorists? If you think it does, tell me how it does. If you think it doesn't, tell me where it doesn't.

Dr. Blix. Well, sir, treaties are concluded between states and between governments, and I would take the view that a country that has adhered to the Non-Proliferation Treaty is obliged not only to make sure that it doesn't, itself, require nuclear weapons, but is responsible for what is happening within its territory. If one had any uncertainty about that, I think that the resolution adopted by the Security Council, 1540, would dispel any such uncertainty. That enjoins the countries, parties to the treaties, to make sure that also individuals in their country are respecting the treaty, so I think we have to look to the governments for this. But the effect of 1540 also--and this is the possibility of states helping countries to set up machinery for the implementation of the treaty.

Mr. Shays. What would your position be if Pakistan has basically experienced a coup in which radical Islamists--I am not saying terrorists, but radical Islamists--take it over, very sympathetic to terrorist organizations?

Dr. Blix. I think Pakistan is about more dangerous spots in the world. It is a very volatile country with a lot of people with extreme views, so it is not an entirely unrealistic fear that we have about it.

Mr. Shays. But in terms of our capability to respond, I guess the question is how would we respond. I will just tell you my bias. I know we found no weapon of mass destruction in Iraq. I believe we would. I believe that not finding them, having voted to go there, along with 295 other Members of Congress, I lost credibility with my constituents because I said we would find them, but I sure as hell don't blame the President of the United States for my vote. That would be like a former Governor blaming the generals for supporting the war in Iraq saying he was brainwashed. I made my vote based on my research. Period. Case closed.

But this subcommittee also conducted the hearing on the Oil-for-Food-Program, and we learned that Saddam undersold his oil and got kickbacks and overpaid for commodities and got kickbacks, and the report said no weapon of mass destruction and Saddam Hussein basically bought off the French and the Russians in the Security Council. Terek Assiz made it very clear that Saddam never thought the United States would ever remove Saddam from power because of his support with the French and the Russians. It gets to my question. It sounds to me like we are in an untenable position if, in fact, we have to have everyone sign off before we would take action against a country

that could, in fact, very willingly transfer weapons grade material to terrorist organizations.

What I am going to ask, my last question, In this real world that we live in, how do we deal with that? Do we wait for the French to give us permission, the Russians to give us permission, the IAEA to say with all its members we want inspections? I don't even know what inspections would achieve, because the bottom line is Pakistan has the weapons and they can choose to show you the ones they have and choose to not show you others that they have.

That is what I wrestle with. Tell me, in this world that my daughter is going to grow up in, how we deal with that kind of scenario under the systems that you have so much respect for.

Dr. Blix. Well, I think you have described another perspective which one cannot totally exclude. So far I think we have seen all the governments that have nuclear weapons have been averse to having any of those going into the hands of terrorists, and certainly Saddam, with all his brutality, did not tolerate any terrorism, did not contribute any weapon of mass destruction to them.

But when you mention Pakistan, which is also in my mind, is that the only country in which you can have a regime change with a very different----

Mr. Shays. No. It is the one I just chose to give.

Dr. Blix. No. I agree with you.

Mr. Shays. I chose them because the father of their nuclear program was very willing to export his knowledge to some very troubled areas of the world.

Dr. Blix. Yes. But you could also have a case in which some other big country with nuclear weapons can, perhaps not to give terrorists, but you would have a totally different threat picture.

Mr. Shays. I would like Mr. Kucinich to have his time and my last round. When I come back, I really want to just kind of nail down what the options are. I want to basically nail down whether the NPT meets the need in this terrorist age or whether it needs to be amended and how it should be amended.

And let me just say I will defer that, because I want Mr. Kucinich to have the time. I have my red light and I have gone on 2 minutes beyond.

Mr. Kucinich, you have the time.

I am sorry, Mr. Platts, do you choose to ask any questions into the first round?

Mr. Platts. Mr. Chairman, if I could ask just one?

Mr. Shays. Sure.

Mr. Platts. Hopefully it has not been asked. I apologize for my late arrival.

Mr. Shays. You can ask. You have the right to ask any question you want, sir.

Mr. Platts. Thank you, Mr. Chairman.

Dr. Blix, I certainly appreciate your service to citizens throughout the world and the important work you have done.

In your written testimony, your answers talking about Iran specifically and use of economic sanctions and how it worked regarding Iraq versus Libya, and then specifically Iran, and you talk about that if we imposed economic sanctions, as is being discussed at the U.N. Security Council, that it would maybe more empower the Iranian government. The way I read your answer, maybe kind of embolden them with stronger public support.

What would you suggest? How do we deal with a country like

Iran, or if it was North Korea, if the sanctions are not the way to do it because it is going to strengthen that government as opposed to undercut their ability to move forward with nuclear weapon development? What would be your best suggestion in the alternative?

Dr. Blix. Personally, I do not think that the threat of economic sanctions is a very smart way of approaching them. I think that the carrots which have been put on the table, the assurance that they will not be attacked, that the economic advantage would be great, that they will have an assurance of supply is a far better method, and that they will more be nationally offended by the threat of sanctions, and that, if anything, a vast number of people in Iran who may be skeptical about their government will rally to a government to a hard line position when they feel that it is under pressure.

There is some notion I read in the papers that you must have both carrots and sticks, and, as it were, sticks and threats are indispensable, but to my mind you have carrots and you have absence of carrots from the other side. That is also a sort of punishment.

I think in the case of Iran that will better. Above all, I don't think that they have tried all the carrots they could call. We are pointed to the quest of security. We are pointing also to relations, to be not friendly, that the rest of the world will show friendship, but simply accept them and deal with them.

We also point to one other possibility mentioning that if you look at the Middle East as a particular tense place, maybe they could copy the idea from the Korean peninsula where the north and the south are agreed that neither north nor south will have either enrichment or reprocessing. The Middle East, if one were to agree that none of the countries in that area would have either enrichment or reprocessing, that would mean that Israel would also have to give up reprocessing, more reprocessing. They wouldn't affect the bombs that we assume they never, but they would have to give up.

I think that if one exercises one's imagination about the Iranians, maybe there can be more that will attract them to a suspension of enrichment, which is not a very economic interest anyway.

Mr. Platts. Thank you, Dr. Blix. Thank you, Mr. Chairman.

Mr. Shays. Thank you. We are going to go another round and maybe not take the full 10 minutes each, but whatever.

Mr. Kucinich, we will start with you.

Mr. Kucinich. Thank you very much, Mr. Chairman.

This discussion again about WMDs reflects back on decisions that were made that took this country into war and a presumption of a nation having WMDs, and it is also prospective in terms of what kind of a policy do we have to help to reign in proliferation.

I think that there are many Members of Congress who voted to take this country into war who did it based on what they felt was the right thing to do based on the evidence that was presented to them. We see WMDs being at the center of this discussion with respect to Iraq, but now we know that the case that was presented to the Congress was one where there were certain people in the government presenting a case that they basically already made the decision to go to war, notwithstanding any evidence that was brought forward from even within that very administration.

For example, the attempt to conflate 9/11 with Iraq, the

attempt to beat the drums and say Iraq had weapon of mass destruction, even though there was plenty of information available at the time--international community had their doubts, weapons inspectors had their doubts, people inside the administration had their doubts--we pursued a policy of attack based on lies, tried to connect Al Qaeda with Hussein. It was wrong. Iraq had nothing to do with the anthrax attack. Iraq was not trying to get uranium or aluminum tubes for the purpose of processing uranium. They weren't buying yellow cake from Niger. That was a hoax. The mobile weapons labs that the Secretary of State talked about at the United Nations, hoax.

So here it is. We didn't have to go to war. There is a way to use diplomacy to avert nuclear escalation.

Now, Dr. Blix, it goes without saying that an attack on another nation will de-stabilize a government, but if you de-stabilize a government does that increase the risks of nuclear proliferation by non-state actors within that government's territory?

Dr. Blix. It depends on much material they have in the territory. We haven't talked at all about the cleaning up operations and the threat reduction programs that will convert research reactors from high-enriched uranium to low-enriched uranium, and so forth. There are a great many very useful, practical, not very controversial measures that are taken in this area.

Mr. Kucinich. Does it go without saying, though, that if you weaken a state you increase the power of non-state actors within that state?

Dr. Blix. It may happen that if you de-stabilize a government that there will be a greater scope for non-state actors. That is possible. I don't think it is axiomatic that it will happen though.

Mr. Kucinich. Do you believe Iran is trying to develop nuclear weapons?

Dr. Blix. I think there have been some indications pointing in that direction, but I don't think it is conclusive. I think that after the experience we have had in Iraq one should be a little careful to jump to the conclusions. I think that constructing a 40-megawatt heavy water reactor is something they could have avoided if they want to avoid suspicions, because that is a very good plutonium producer.

And I don't think that necessarily hiding the program is conclusively showing that they have weapons. It was illegal. It was a violation of the safeguards agreement, yes. But having feared that they could be sabotaged, that there could be bombing maybe, they kept it secret for that purpose. I don't think it is conclusive, but it is certainly an indication. There are others, but I don't think it is conclusive.

Mr. Kucinich. Then would you say there is indisputable evidence that the Iran program is an imminent threat to the security of the region or of the United States?

Dr. Blix. They will certainly increase the tension in the Middle East if they proceed with a program of enrichment. There is a lot of talk about trying to explore the intentions of the Iraqis, and if they have an intention to go for weapons then it is contrary and it is a violation of the NPT. If they don't have that intention, it is not a violation.

However, I think at this point the intention is immaterial. There is no use in searching for the intention, because it could damage them if you found really good, strong evidence that they intended to go for weapons. But if you don't find it,

it is not going to help anyway. Everybody is going to say they can change the intention. If we accept today that they don't have intention, then in 2 years time they could change the intention. I think that I side with those who feel that it would be desirable that one persuade Iran to stay away from the enrichment program. They do not have really economic needs for it. One can cover the assurance of supply, but the security I think still is something that has not been broached, and if one tries to impose sanctions or harsher methods before those cards have been tried, then I think one is doing it prematurely.

Above all, Mr. Chairman, I think that we haven't discussed the question of preventive strikes and preemptive action, which are unilateral actions. The U.N. charter says that if there is an armed attack then you have the right to exercise self defense in the case of an armed attack or even imminent armed attack.

Now, in the case of the Iraq in 2002, no one could say that we were facing an imminent attack.

Mr. Kucinich. So Iraq was not an imminent threat?

Dr. Blix. Absolutely not. And in the case of Iran today, with a country that has produced perhaps a gram quantity of uranium of 3.5 percent, one cannot say that is a threat.

Mr. Kucinich. Iran is not an imminent threat?

Dr. Blix. It is not a threat today. It could become later on. But I think that there is another article in the U.N. charter in chapter six--not chapter seven, chapter six--about situations that can develop into threats, and that I think is the chapter that they should use.

There is also the possibility of using force under the authority of the United Nations, not unilateral force. These are two different things. The Security Council can decide and can authorize military action even if there is not an armed attack, so the Security Council has much broader authority than individual member states have.

Mr. Kucinich. Have you ever heard of a report that 3 years ago Iran offered a dialog with the United States including full cooperation on nuclear programs?

Dr. Blix. No, I am not familiar with it. I might have read about it.

Mr. Kucinich. Mr. Chairman, for the record I would like to introduce a copy of this for this hearing. It is from the Washington Post on June 18, 2006. The headline is, ``In 2003 U.S. Spurned Iran's Offer of Dialogue. Some Officials Lament Lost Opportunity.'' First graph says, ``Just after the lightning takeover of Baghdad by U.S. forces 3 years ago, an unusual two-page document spewed out of a fax machine at the Near East Bureau of the State Department. It was a proposal from Iran for a broad dialog with the United States, and the fax suggested everything was on the table, including full cooperation on nuclear programs, acceptance of Israel, and the termination of Iranian support for Palestinian militant groups.

I think that the discussion that Dr. Blix has brought up here about direct talks may put us in a position where we can reconcile what may have been lost opportunities with being able to capitalize on some new thinking.

I'd like to put this on the record.

Mr. Shays. We will put this on the record, without objection. Thank you.

[The information referred to follows:]

[GRAPHIC] [TIFF OMITTED] 35767.022

Mr. Kucinich. Have you seen any statements from Iran with respect to their intentions of the use of nuclear power? Have you heard any statements about it?

Dr. Blix. Yes. They have made many of them.

Mr. Kucinich. Have you heard them say that weapon of mass destruction do not have any place in the defensive doctrine of the Islamic Republic?

Dr. Blix. Yes.

Mr. Kucinich. Do you give any credibility to that?

Dr. Blix. Well, Mr. Afsanjami, whom I met on two occasions, said the same thing to me, that this would be contrary to their religion. However, as an international inspector I certainly would not take such statements just for granted, but I think we have to look at all the facts.

Mr. Kucinich. Well, verification certainly is one of them.

Dr. Blix. Yes.

Mr. Kucinich. And what kind of confidence-building measures could be introduced to take us to a point where we could reopen inspections, get verification, and avert another war?

Dr. Blix. I think if negotiations were to go forward, maybe there would be an opportunity of that, because at the present time the Iranians are only accepting inspection under the old type of safeguards. They did for a long time accept the inspection under the strengthened safeguards regime, and that was as a confidence-building measure. And when the case of Iran was moved to the Security Council against their protest, that was when they said all right, we will now also not accept these more-intrusive inspections. So I think if there were to be some relaxation or some negotiations, maybe as a part of those negotiations and part of the deal that they would have to accept more-intrusive inspections if there were to be such.

Mr. Kucinich. I thank you Dr. Blix.

Mr. Chairman, this is really the crux of my concern about our policies toward Iran. I mean, Dr. Blix has made the case that direct talks in connection with the guarantee of not attacking. My concern is that we have seen a lot of information on the record that covert action has been generated against Iran, that the Strategic Air Command has selected 1,500 bombing targets that enable deployment toward the Strait of Hormuz is in the offing. We have seen the Subcommittee on Intelligence report that appears to be somewhat tricked up with respect to its assertions about the level of weapons grade uranium enrichment.

So rather than go through all that again, it seems to me it would be a lot better for the world if we at least tried direct talks and tried to find a way that you could get the kind of inspections and verifications that can de-escalate this conflict.

I thank Dr. Blix and thank you, Mr. Chairman.

Mr. Shays. Thank you very much.

Dr. Blix, I will be having some questions, but Mr. Van Hollen is here and I want to make sure that he is recognized for 10 minutes.

Mr. Van Hollen. Thank you, Mr. Chairman. I am sorry to be a little late. I was on the floor of the House speaking on a bill before the Congress.

I want to begin by thanking you, Dr. Blix, for your service at the United Nations as the head of the weapons inspection effort in Iraq, and only say that I wish the United States had

listened to you more carefully, and I believe that if we had taken heed of your request for additional time so that weapons inspectors could complete their work we would not be in the situation we are in in Iraq, so I thank you for your service and I also thank you for getting it right, despite lots of pressures from lots of different places to try and spin the information in ways that certain people would like to have it spun. So thank you for being a straight shooter on that.

Let me just ask you, with respect to the efforts to secure fissile material, nuclear material, around the world, I would like you to give us an assessment, if you could, of where we are. In the United States we have the Nunn-Lugar program to try and buy up what we commonly refer to as loose nukes with the former Soviet Union. There are obviously other sources of fissile material around the world.

The bipartisan 911 Commission, when they gave their final report card to the Congress with respect to nonproliferation efforts, they gave the U.S. Government a D, a failing grade, when it came to the effort to secure weapon of mass destruction.

I would like, if I could get it, your assessment, not necessarily with respect to only U.S. efforts, but our worldwide efforts to get a handle on this material. Thank you.

Dr. Blix. Well, sir, I would hate to grade the efforts. We have seen such efforts for a very long time. I mentioned a while ago the conversion of research reactors from the use of high-enriched uranium to low-enriched uranium. That has been going on from the time that I was at the IAEA, and it is a long time now since the cold war ended and money and efforts have been put into Russia in order to secure the material, put better locks on the doors, etc., and to move back into Russia and material that was abroad. In Kazakhstan and other places there was quite a dramatic expedition for Kazakhstan. I think the latest case I read about was some place in former Serbia, former Yugoslavia, where there was material. So I think that has been doing on for some time, and certainly the situation ought to be much better now than it was 10 years ago.

But, as I said a while ago, I don't think it is a terribly expensive program compared to many other things that we do in the nuclear field, and therefore I favor the threat reduction programs and the other measures that are being taken. I think they are money well invested. I do not feel quite as alarmed as some of my colleagues are. The risks are not zero, but the world has been active and the U.S. has been very diligently active for a long time, and I express my appreciation for that, too.

Mr. Van Hollen. If I could just followup, Mr. Chairman, on that issue, in addition to just sort of continuing the program at its current pace, do you have any recommendations for what we should do to speed up the process of trying to track down these different sources? I guess let me ask you this: do you have a fair amount of confidence that we have, No. 1, identified all these sources, the existence of loose nuclear material, No. 1? And, No. 2, do you have a high level of confidence that it is being guarded, protected in a way that it is not stolen or made off with by people who we don't want to have it fall into their hands?

I just try to get a rough assessment, because, as I said, the bipartisan Commission gave us just last December a D in the U.S. Government in this area, and I am curious as to what additional measures, if any, you think we should be taking.

Dr. Blix. You have probably looked at more material than I have, but I think I would have been more lenient in my grading of it. I mean, Russia was off to a fairly regimented state, and I think the communist system kept fairly good control, but there could have been sloppiness in that regime, as well. But considering that they have been active for such a long time now, I would feel a little less worried about it.

Mr. Van Hollen. In the interest of time, Mr. Chairman, I know we have a couple more panels here.

Mr. Shays. Thank you very much.

Mr. Platts, do you have any questions?

Mr. Platts. No.

Mr. Shays. OK. Let me not take my full 10 minutes, but let me first ask you the scenario. There may not be a good answer, but the question is: what does the world do when a nation, say like Pakistan, for instance, is under the command of a coup, a very Islamic state sympathetic to potential Islamist terrorists? What are the mechanisms available to contain the weapons grade material before there is the possibility of it getting in the hands of terrorists?

Dr. Blix. I don't think I have a good answer to give you, Chairman Shays, on that. It would be a very severe situation.

A little moment ago I said that the U.N. charter allows states to take action, military action, in self defense against an armed attack, and that is interpreted nowadays to be an imminent threat from an armed attack. But beyond that, if the world wants to take an armed action of some kind, the Security Council can authorize it.

Mr. Shays. The challenge we have, candidly, is that, you know, it just takes one no vote from the permanent members of the Security Council, and we saw that very clearly from our standpoint that France and Russia were not entirely without conflict, to say it in a gentle way, about any movement in Iraq even if Saddam had weapons. That is the challenge. The oil for food program was pretty clear about its consequence. So not necessarily, but it is something that obviously would you agree the world is going to have to wrestle with, and would it be better to wrestle with the mechanism before that happens or wait until it happens?

Dr. Blix. Well, I would feel a little less pessimistic about the Security Council. After all, we have seen that in the case of Iran the Council has, even though it is only a minute quantity of uranium that has been enriched, the Council, with the support or acceptance by the Russians and the Chinese, has gone along with threatening of a sanction.

Mr. Shays. Let me ask you this: is there any doubt in your mind where the Iranians are headed?

Dr. Blix. Yes.

Mr. Shays. There is doubt?

Dr. Blix. See, I don't think it is conclusively shown. I pointed to indications such as the 40-megawatt reactor. But I think, especially after the experience in Iraq, I don't want to jump to conclusions, and frankly I don't think that it matters very much what their intentions are.

Mr. Shays. Let me ask you, though, short of sanctions--I realize this is the stick, but short of sanctions--it seems to me sanctions are one step before actually using military force.

Dr. Blix. Yes.

Mr. Shays. What is surprising to me is the lack of willingness on the part of the western European nations to use sanctions.

Dr. Blix. I share that view. I think the threat of sanctions is counterproductive vis-a-vis Iran now. I think that they are much more likely to make the Iranians dig down their heels and be feeling that they are being treated unfairly, and that the carrots are more effective.

Mr. Shays. OK.

Dr. Blix. If I may return to the other situation which you described, which is a scary one when you have perhaps a country like Pakistan or other countries and you have a coup and you have some people who seem very dangerous in power, that I am saying that the Security Council would have to grapple with it. I am not so pessimistic about the possibility of coming to agreement in the Security Council when they were able to come to an agreement even in the case of Iran. I think that they might also come to agreement in how they would wrestle with the situation. It is by no means a given that Russia or China would take that with equanimity.

Mr. Shays. Do you think that Iran has a unique situation, given its wealth and particularly natural gas and oil, as well? do you think that gives them a bargaining chip that may compromise sound decisions on the part of western Europe, in particular, and other nations dependent on energy?

Dr. Blix. I am not quite sure I get it.

Mr. Shays. The question is this: is the challenge with Iran that in some cases those nations that don't want them to move forward with a nuclear program have the concern that Iran, given its incredible wealth of natural gas and oil, are in a position to manipulate Europe, in particular, and Europe is somewhat compromised by the fact that we are dealing with a nation that has this economic energy resource that they can use as a bargaining chip?

Dr. Blix. I don't think that the French or the Russians are very much influenced by the economic relations with Iran. I think the Russians are sincere when they say that they are also very eager that Iran should not move to nuclear weapons. They are neighbors with Iran. So I wouldn't immediately ascribe some oil motivations on their part for going slowly.

I think the Europeans, too, have wanted more to go for the carrots than for the sticks, and on that----

Mr. Shays. And admittedly I am not from Europe and I have limited knowledge, but I read that action candidly as, in part, the fact that they are very dependent on energy from that part of the world.

Dr. Blix. We all are.

Mr. Shays. Well, we all are indirectly, in some cases directly. We all are.

Dr. Blix. Yes.

Mr. Shays. But the sense that we get, living where we live here, is that we can't get the Europeans to be definitive enough. The Iranians know it and know that we are divided, Europe and the United States, and believe that a United States embargo is basically inconvenient but not destructive. Their big concern is what Europe does. My concern is, if Europe doesn't step up and doesn't confront Iran, they almost force the worst alternative, which is armed conflict, which I think is unlikely, but it strikes me that is where they push us if they, in fact, aren't willing to use the one tool that could have impact.

Dr. Blix. But you are really visiting the possibility of an escalation before one has exhausted the various cards. In my view there are still cards available. They should be tried. I

cannot guarantee you that they will work in the end, but I think they must be tried before you contemplate some further action.

Mr. Shays. Given we didn't find weapon of mass destruction in Iraq, I know our credibility has been hurt, but in the end let me ask this last question then. What is the consequence of an Iran with a nuclear weapons program? Tell me the consequence. Is it something that I should be willing to accept? Do you anticipate Saudi Arabia and Egypt responding? Do you anticipate that its impact would be minimal or quite significant?

Dr. Blix. I think the impact of a North Korea moving on or the domino effects there could be more serious, because we already saw the reactions in Japan on the North Koreans testing missiles, which did not hit any Sea of Japan, I think they were, where they expected them to be. But if they move on and if Japan were to abandon its policy, which is very strongly rooted, and I think it would move a lot to move Japan away from nonproliferation, but if it were to, then I think that the tension in the Far East between China----

Mr. Shays. Let me----

Dr. Blix. That is, I think, a more serious perspective, getting back to the point where you are.

Mr. Shays. Let me just say, though, more serious concerned to very serious is still both serious. So how do you rate Iran? If they get a nuclear program, do you anticipate Egypt and Saudi Arabia, in particular----

Dr. Blix. There is a different time perspective. I mean, Japan is a country that has enormous amounts of enriched uranium and plutonium sitting on it, and in the Middle East you don't have that.

Mr. Shays. Let's forget North Korea because I am going to concede North Korea would be hugely detrimental.

Dr. Blix. In the Middle East the countries there--Egypt, Saudi Arabia, Syria, Turkey--they are not at that level. They have a long way----

Mr. Shays. But would it compel them to get to that level?

Dr. Blix. Well, that is a speculation. I don't think----

Mr. Shays. Well, that is what we have to do in this business. We have to speculate. I mean, that is part of--we do have to speculate. I mean, in my travels to the Middle East--and they are frequent, very frequent--we have a sense that Cutter has already basically come to the conclusion that Iran is going to be a far more dominant power, may have a nuclear program, and we are already seeing Al Jazeera even be far more sympathetic to Iran than they were before. That is what we are seeing. We call that hedging your bets.

How do Saudi Arabia and Egypt hedge their bets? Do they start to develop a nuclear program or do they just cave in to and accept Iran has it and they don't?

Dr. Blix. Well, we have seen no signs of their moving in that direction.

Mr. Shays. OK.

Dr. Blix. It would take a long time before they would be able to do so. But I share your view. I mean, my starting point that it would be desirable to persuade Iran to stay away from it and that we have many carrots. There are many carrots that could still be used for that purpose.

Mr. Shays. Well, I didn't intend to use my 10 minutes, but you are such an interesting man. Let me do this. Is there any question that we should have asked you that we didn't? I mean,

we have a number, but we are not going to ask. We will write you a question or two, if you don't mind responding, but is there anything you want to put on the record?

Dr. Blix. You touched upon one issue which is also close to my heart, and that is that of energy. Under the areas of the world which are dangerous, really dangerous, Middle East and Central Asia is also getting fairly tense, and they are areas in which you have a lot of oil and gas resources, I think that trying to restrain the consumption of oil and gas is an important, very important mission. Of course, most people talk about it in terms of hydrocarbons and in terms of global warming and emission of carbon dioxide, and I share that completely. I think I am more worried long-term about global warming than I am worried about weapon of mass destruction long term. I think we can solve the second issue.

However, this means that going for peaceful nuclear power is a good thing; that we need to rely on it. I am not against wind power and not against solar power, but you are not solving energy problems of Shanghai or Calcutta by these; therefore, I am in favor of the Chinese developing their nuclear. When I was IAEA I tried to give maximum assistance to the Chinese in the field of safety and waste disposal. I think the same way of the Indian program. Many of my friends in the disarmament area are very averse to the Indian program, and I can also see and I have pointed out here the dangers in the field of proliferation with India, but basically to assist India to get the latest technology to develop nuclear power for energy, which will reduce somewhat their demand for fossil fuels, I think is possible.

Mr. Shays. You raise the question. I am so sorry to just have to extend this, but do you compliment the United States on our outreach to India, or are you critical to our outreach to India as it relates to nuclear?

Dr. Blix. Both.

Mr. Shays. OK.

Dr. Blix. And the Commission takes that view. We say it is not our job to discuss energy within the Commission. Some people would have been negative to that. But on the nonproliferation side, yes there are dangers, and we feel that they could be remedied, I think, if the U.S. were to go ahead with a convention prohibiting the production of fissile material for weapons purposes. If they joined that, if it were verification, then Indian enrichment plant and reprocessing plants would also be under inspection and there would not be a risk that Pakistan and China would fear that India would accumulate more weapons and hence the risk that Pakistan and China would also increase.

Mr. Shays. OK. That is the criticism. What is the positive?

Dr. Blix. That is a criticism, yes.

Mr. Shays. Give me the positive. Since you have both, let's make sure we put on the record the positive. What is the positive?

Dr. Blix. The positive side, organizing the energy side, that India would have access to the most modern technology for peaceful nuclear power and therefore would restrain its thirst for oil.

Mr. Shays. OK. Thank you so very, very much for being here.

Is there any last point you want to make or are we all set?

Dr. Blix. No. I was grateful for the credit that we got as inspectors and that we were looking for the truth. We did not assert that there are no weapon of mass destruction. We have

been criticized by some people saying you could have saved the situation by saying there were none, but we were actually working as inspectors should. We looked at the ground, we----

Mr. Shays. Are we talking about Iraq?

Dr. Blix. In Iran I think they are also being entirely professional. I think the IAEA has done--I haven't followed in such detail, but we act as international civil servants. The job of civil servants is to compile a dossier for the decisionmakers, the Security Council or the government. We were not politicizing. We were trying to be very factual and professional, and I think there is a great value in that.

While criticism of the intelligence community has been that they are bent, in some cases, bent a little to the interests of the decisionmakers, we did not do that.

Mr. Shays. I think that is clear. Again, we appreciate your very noble work and your long service to your country and to the United Nations and to this issue, in particular. You are a man of great distinction and you honor our subcommittee by your presence here. We thank you so much.

We will have a 1-minute recess and then we will get to our next panel.

[Recess.]

Mr. Shays. Our second panel is William H. Tobey, Deputy Administrator for Defense Nuclear Nonproliferation, National Nuclear Security Administration, Department of Energy; Mr. Andrew K. Semmel, Deputy Assistant Secretary, International Security and Nonproliferation, Department of State; Mr. Jack David, Deputy Assistant Secretary of Defense for Combating WMD and Negotiations Policy, Department of Defense; and Mr. Gene Aloise, Director, Natural Resources and Environment, Government Accountability Office.

This is a panel of four members. We appreciate their presence. I am going to thank the Executive Department for their willingness to have a legislative member sit in so we did not have to have four panels. That makes it move a little more quickly.

We will start with Mr. Tobey, and we will go to Mr. Semmel and then Mr. Jack David.

Mr. David, it is my understanding that this may be your last official act serving for the Government; is that correct, sir?

Mr. David. Yes, sir, unless there is something in the next 2 days that you have in mind.

Mr. Shays. Well, let me just say all of us thank you for your service to our country. I just want to applaud you. Thank you very much.

Mr. David. Thank you very much.

[Applause.]

Mr. Shays. Let me welcome all of our witnesses. I thank you for your extraordinary patience. We didn't think this first panel would go as long as it did, but in hindsight we probably should have.

I hope that you feel free to respond to anything you have heard asked during the first panel. Your full statement will be submitted for the record.

We will, again, start with you, Mr. Tobey.

I think I need to say for the record that two of our witnesses happen to be from Connecticut. Mr. Tobey, actually you are a constituent, so that makes it very awkward for me. And Mr. Jack David, you are also from Connecticut, but not from the District, less awkward. Welcome to both of you.

Mr. Tobey, you have the floor.

STATEMENTS OF WILLIAM H. TOBEY, DEPUTY ADMINISTRATOR FOR DEFENSE NUCLEAR PROLIFERATION, NATIONAL NUCLEAR SECURITY ADMINISTRATION, DEPARTMENT OF ENERGY; ANDREW K. SEMMEL, DEPUTY ASSISTANT SECRETARY, INTERNATIONAL SECURITY AND NONPROLIFERATION, DEPARTMENT OF STATE; JACK DAVID, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR COMBATING WEAPON OF MASS DESTRUCTION AND NEGOTIATIONS POLICY, DEPARTMENT OF DEFENSE; AND GENE ALOISE, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, GOVERNMENT ACCOUNTABILITY OFFICE

STATEMENT OF WILLIAM H. TOBEY

Mr. Tobey. Thank you, Mr. Chairman. I should actually perhaps point out that when I am not in New Canaan I am in Bethesda, Maryland.

Mr. Van Hollen. I was going to say I am a little confused because I thought Mr. Tobey was my constituent.

Mr. Shays. Well, let me ask you this: where do you vote?

Mr. Tobey. I vote in Maryland, but when the President nominated me he said of Connecticut.

Mr. Van Hollen. We won't take it any farther then.

Mr. Shays. No, he has friends in the District. Let's leave it at that.

OK, Mr. Tobey, we will get back to business.

Mr. Tobey. Thank you, Mr. Chairman.

Mr. Shays. And we will strike out all that we said from the record when we get a chance.

OK, you are on. Mr. Tobey, welcome to this hearing. You have the floor.

Mr. Tobey. Thank you, sir. Thank you for the opportunity to testify on a vital topic. I offer summary remarks and ask that my written testimony be submitted for the record.

Under President Bush's direction the United States has taken many steps to meet this complex and dangerous threat on proliferation. Last week I accompanied Secretary Bodman to Vienna to attend the General Conference of the International Atomic Energy Agency. It is clear that the work of the IAEA and the effectiveness of the Nuclear Non-Proliferation Treaty and its associated instruments is a major international concern.

Over the past 35 years the NPT has scored important victories, but serious challenges remain. Examples include the violations of Iran and North Korea, the dispersion of sensitive nuclear technologies by proliferation networks and terrorists seeking WMD capabilities.

It is the goal of the United States to address these challenges in ways that strengthen and supplement the Non-Proliferation Treaty. In my testimony today I will highlight our efforts to reduce and protect nuclear stockpiles, to strengthen the nonproliferation regime, and to promote the Global Nuclear Energy Partnership.

In the area of nuclear reductions our record is undeniably strong. Since 1988 the Department of Energy has dismantled more than 13,000 weapons and has completed the dismantlement of most non-strategic nuclear weapons. By the end of 2012 the stockpile will be at its smallest level in several decades.

Mr. Shays. Mr. Tobey, I am embarrassed to say after 10 years this is the first time I think I have ever failed to swear in a panel. The only one we have never sworn in was the senior Senator from West Virginia because I chickened out, but

I am not intimidated by any of you. I need you to stand and swear you in. I am so sorry.

[Witnesses sworn.]

Mr. Shays. You are reading from your written statement. We know that all of your statement is the truth and you are sworn in and everything that proceeded is the truth, and you are on. I am so sorry to interrupt you.

Mr. Tobey. Certainly, sir.

We have also removed 374 metric tons of highly enriched uranium from Defense stocks, converting 92.2 metric tons to low-enriched uranium and reserving 17.4 metric tons to support the President's proposal on reliable access to nuclear fuel.

Our efforts with Russia to secure nuclear materials are also without precedent. We have eliminated more than half of 500 metric tons of highly enriched uranium from Russian weapons in an agreement running through 2013. The United States and Russia have committed to dispose of 34 metric tons each of excess weapons plutonium. Under the Bratislava Initiative agreed by President Bush and by Russian President Putin in 2005, we are accelerating by 2 years, to 2008, the securing of weapons grade fissile materials in Russia. These materials will be out of circulation and protected against theft.

Second, I would like to highlight is our work to improve the nuclear nonproliferation regime within the existing NPT framework and through new mechanisms. In his speech of February 11, 2004, President Bush challenged the world's leading nuclear supplies to strengthen controls on the most sensitive nuclear technologies and enrichment and reprocessing to assure fuel supplies to states with reliable access at reasonable cost, so long as those states forego enrichment and reprocessing technologies and are in good standing with their nonproliferation commitments. These initiatives are under discussion in the Nuclear Supplies Group and at the International Atomic Energy Agency.

In addition to strengthening international arrangements, the Department is working with more than 70 states worldwide to prevent illicit trafficking of nuclear materials and WMD technologies and to update international guidelines for the physical protection of nuclear materials and facilities.

Third, I would like to highlight an initiative that President Bush recently announced, the Global Nuclear Energy Partnership. Through GNEP we propose new measures in proliferation-resistant technologies that will facilitate achieving the NPT's twin goals: promotion of peaceful nuclear uses and prevention of nuclear proliferation. Our aim is to provide energy and security using mechanisms that allow states to avoid the burdens associated with long-term storage of spent fuel in uranium enrichment programs that serve no rational economic or energy purpose.

Finally, I would note that President Bush and President Putin at St. Petersburg launched the global initiative to combat nuclear terrorism. This initiative provides the means to carry out the mandates of U.N. Security Council Resolution 1540. While great progress has been made to prevent proliferation, much more work needs to be done, and the Department of Energy is committed to addressing the nonproliferation challenges of our changing world and we look forward to working with Congress and our international partners in accomplishing still more in the future.

Thank you.

[The prepared statement of Mr. Tobey follows:]

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Mr. Shays. Thank you, Mr. Tobey.

Mr. Semmel.

STATEMENT OF ANDREW K. SEMMEL

Mr. Semmel. Let me say, Mr. Chairman, first of all that I regret that I neither live in Connecticut or Maryland, but I am looking for new housing.

Mr. Shays. It is a great place to live.

Mr. Semmel. I live in Virginia, unfortunately.

I am pleased to have the opportunity to come before this committee to discuss the Nuclear Non-Proliferation Treaty, the NPT, and steps needed to strengthen the NPT regime. I might say that I appreciate the very thoughtful set of questions that you have sent in your letter of invitation. My prepared statement, which is longer, will address these questions more directly.

It is clear, Mr. Chairman, that the nuclear nonproliferation regime and the NPT face serious and unprecedented challenges today, with unresolved cases of noncompliance and even withdrawal from the treaty. The regime is now at a critical crossroads. One road leads to a crisis stemming from noncompliance of states' parties and the weakening of a nonproliferation regime. The other leads to a strengthening of the treaty regime to keep it strong through the 21st century.

At this moment in history the first order of business must be to ensure that those states not in compliance with their NPT obligations come back into compliance, that no new states develop the capability to produce nuclear weapons, and that no terrorist entity has access to sensitive nuclear materials. Failure to achieve these goals will undermine the NPT and the critical role it plays in promoting nuclear nonproliferation.

The NPT is intended to stop the spread of nuclear weapons and materials related to the production of these weapons. That we could be here today, 36 years after the treaty entered into force, and not count 20 or more nuclear weapon states as some predicted in the 1960's is a sign of the treaty's success. That other states have stepped back from pursuing nuclear weapons capabilities also testifies to its success. But the historical record of success of the NPT should not induce complacency. There is much more work to be done.

One of the key concerns that other states have raised regarding the NPT is the claim that the nuclear weapons states, and particularly the U.S., are not doing enough to fulfill the disarmament provisions embedded in article six of the NPT. Some non-nuclear weapon states argue that, since the nuclear weapon states have not totally eliminated their nuclear weapons stockpiles, the NPT is failing, and that they, the non-nuclear weapon states, should not be required to comply with their obligations to abstain from pursuing nuclear weapons capabilities. They take this view, despite the significant reductions in nuclear arsenals by the United States, Russia, the U.K., France, particularly since the end of the cold war.

We have to explore a range of options and approaches to nonproliferation. The United States has taken a number of unilateral steps that serve to reduce our reliance on nuclear weapons and to reduce the U.S. nuclear stockpile. These are spelled out in detail in my longer statement, but let me mention here briefly that we have done some of the following:

We have dismantled 13,000 nuclear weapons since 1988.

We have not produced any fissile material for weapons since the late 1980's.

The production of our weapons, HEU, halted in 1964.

We have dismantled more than 3,000 non-strategic nuclear weapons.

Our article six record is significant, and the trend lines in reliance on nuclear weapons have been steadily downward. The chief challenge to the security benefits of the NPT come not from the supposed failure of the nuclear weapon states to disarm, but from the proliferation activities of the treaty's non-nuclear weapon states. While we have been downsizing our nuclear stockpiles, others have started or advanced their nuclear weapons programs. North Korea withdrew from the NPT and then announced it has nuclear weapons. The Kahn network was illegally shipping nuclear materials and weapons designs to other states and Iran's secret nuclear sites at Natans and elsewhere were exposed.

Bilateral efforts between the United States and Russia have led to significant cuts in both nations' nuclear arsenals and stockpiles of fissile materials for use in nuclear weapons. The cooperative threat reduction programs that began in the mid to early 1990's have been instrumental in reducing stockpiles of strategic weapons. Our CTR programs have also been instrumental in redirecting former nuclear weapons scientists to peaceful, sustainable employment.

Multilaterally we are seeking to strengthen the nuclear nonproliferation regime in a number of ways. I will just mention a few: through the full implementation of United Nations Security Council 1540, through universal adherence to the IAEA's additional protocol, through efforts at the Nuclear Suppliers Group to make the additional protocol a condition of nuclear supply, through the creation of the IAEA Committee on Safeguards and Verification, through the expansion of the proliferation security initiative, and through closing the NPT loophole by restricting enrichment and reprocessing technology, to site a few examples.

Increasing emphasis on nonproliferation and compliance in multilateral fora, such as the various export control regimes, border security programs, and the convention of the physical protection of nuclear materials are helping to engineer a much-needed paradigm, a shift in the global nuclear nonproliferation regime.

That said, if multilateral organization arrangements fail to impose consequences on those such as North Korea and Iran who violate their nonproliferation commitments, the credibility of such fora will be called into question. The continued failure of the Conference on Disarmament in Geneva, for example, to break the linkages on issues so that negotiation on a fissile material cutoff treaty can begin is emblematic of this problem.

Let me conclude by saying that to be successful we have to be able to adapt to changing circumstances and utilize a full range of nonproliferation tools, some of which I have cited today. We must have a global nonproliferation architecture that ranges from limiting access to dangerous materials and technology and securing them at the source, to enacting export and border patrols, to impeding WMD-related shipments during transport, and to enforcing domestic, regulatory, and administrative practices to guard against illegal activity.

At the core of all this architecture is the NPT. Without a global consensus as embodied in the NPT, we and other like-minded countries could not marshal enough support to tackle the increasingly important and complex proliferation problems.

That concludes my statement, Mr. Chairman.

[The prepared statement of Mr. Semmel follows:]

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Mr. Shays. Thank you, Mr. Semmel.

Mr. David.

STATEMENT OF JACK DAVID

Mr. David. Chairman Shays, Congressman Van Hollen, I will try to abbreviate very substantially the formal written statement I submitted, and also to reduce in size my oral statement, as well, in view of what my colleagues have said, which I fully endorse with the Defense Department.

I thank you for the opportunity to testify on weapon of mass destruction, current nuclear proliferation challenges, on this my last week as Deputy Assistant Secretary of Defense for Combating WMD and Negotiations Policy. President Bush is committed to countering the threat of nuclear proliferation, and the Department of Defense's role in supporting the President is based on his 2002 National Strategy to Combat Weapons of Mass Destruction and his 2006 National Security

Strategy.

Our goal is summarized by these words from the President's 2004 State of the Union Address: America is committed to keeping the world's most dangerous weapons out of the hands of the most dangerous regimes.

Multilateral arms control and nonproliferation treaties and regimes are key components of our strategy, with the Nuclear Non-Proliferation Treaty, the NPT, at the forefront. President Bush has called the NPT ``a critical contribution to international security.'' The NPT is a principal element of an expanding legal framework devised to curb the development of nuclear weapons programs. We have sought to strengthen it.

In February, 2004, President Bush, addressing an audience of the National Defense University on curbing WMD, offered proposals to strengthen the NPT. He urged the creation of a new committee specifically mandated to concentrate on safeguards and additional protocol issues. He asked that all members of the NPT complete and adhere to safeguards and additional protocol agreements. He asked that the additional protocol be a condition for a state to receive support for its civil nuclear program.

U.S. efforts to address nuclear proliferation go beyond supporting and trying to strengthen the NPT. In May, 2003, President Bush launched the proliferation security initiative, which now boasts more than 75 participating states. The United States also played a leading role in the April, 2004, U.N. Security Council passage of resolution 1540, which requires states to control who may possess and export WMD-related material and technology.

The cooperative threat reduction program administered by the Department of Defense is another major effort to thwart nuclear proliferation. DOD's CTR efforts successfully assist Russia, Belarus, Kazakhstan, and Ukraine in dealing with the disposition of nuclear warheads and materials.

Since 2002, DOD's CTR efforts have included portal programs to detect illicit movement of nuclear materials, as well as programs to move WMD to central locations where they can be secured. These programs are part of the proliferation prevention initiative.

The nuclear nonproliferation measures we and other countries have supported have not been successful in all respects. World regimes, unscrupulous profiteers, and non-state actors such as the A.Q. Kahn network have traded in nuclear materials and technology. This illicit trade has provided important assistance to the nuclear weapons programs of other countries, including Libya and Iran.

We live in an era where economic pressures and competition for fossil fuels make nuclear energy an important alternative to guaranteeing the world prosperity. With the use of nuclear energy comes the immense challenge of safeguarding nuclear technology and materials from uses that can bring about horrible consequences.

State and non-state actors with bad motives are ever ready to create a nightmare out of the dream of energy sufficiency. It is to prevent such an outcome that we must do all we can to prevent proliferation of nuclear materials.

Thank you very much.

[The prepared statement of Mr. David follows:]

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Mr. Shays. Thank you.

Mr. Aloise.

STATEMENT OF GENE ALOISE

Mr. Aloise. Mr. Chairman and members of the subcommittee, I am pleased to be here today to discuss IAEA's safeguard program and other measures to halt the spread of nuclear weapons and materials.

Reports about the clandestine nuclear weapons programs in North Korea, Iran, and Libya, as well as covert nuclear trafficking networks have increased international concerns about the spread of weapon of mass destruction. Since the NPT came into force in 1970, IAEA safeguards have been a cornerstone of U.S. and international efforts to prevent nuclear proliferation. In addition to safeguards, other U.S. and international efforts to prevent the spread of nuclear weapons, materials, and technologies have included the Nuclear Suppliers Group and U.S. assistance to Russia and other countries to secure nuclear materials and warheads.

My remarks today will focus on our most recent report on IAEA safeguards system because safeguards is the most important mechanism used to ensure compliance with the NPT.

Despite successes in uncovering some countries' undeclared nuclear activities, safeguards experts acknowledge that a determined country can still conceal a nuclear weapons program. IAEA continues to strengthen safeguards by more aggressively seeking assurances that a country is not pursuing a clandestine nuclear program. To help do this, IAEA uses measures such as conducting short-notice and unannounced inspections, collecting and analyzing environmental samples, and using unattended measurement and surveillance systems.

State Department and IAEA officials told us that safeguards have successfully revealed undisclosed nuclear activities in countries such as Iran. Despite successes, IAEA safeguards have limitations. If a country decides to divert nuclear material or conduct undeclared activities, it will deliberately work to prevent the Agency from discovering this. Furthermore, any assurances by IAEA that a country is not engaged in undeclared activities cannot be regarded as absolute, and, importantly, there are a number of weaknesses that hamper the Agency's ability to effectively implement safeguards, including:

IAEA has only limited information about the nuclear activities of Pakistan, India, Israel, and North Korea. Since these countries are not members of the NPT, they do not have comprehensive safeguards agreements and are not required to declare all their nuclear material.

Another weakness is that more than half of the NPT signatories have not yet adopted the additional protocol, a separate agreement designed to give IAEA nuclear authority to search for covert nuclear activities. Further, safeguards are significantly limited or not applied in about 60 percent of the NPT signatories, because either these countries have not signed comprehensive safeguard agreements or they claim they possess only small quantities of nuclear material and are exempt from most safeguards measures.

Last, IAEA is facing a human capital crisis that threatens the safeguards missions. In 2005 we reported that over 50 percent of senior safeguards inspectors and high-level safeguards officials are retiring in the next 5 years. In our 2005 report we recommended a number of actions designed to address the weaknesses in IAEA's safeguards program.

IAEA has been called upon by its member states to assume a greater role in reducing the risks of nuclear proliferation; however, as its responsibilities continue to expand, the Agency faces a broad array of challenges that hamper its ability to fully implement its safeguards system.

Mr. Chairman and members of the subcommittee, that concludes my statement. I would be happy to address any questions you may have.

[The prepared statement of Mr. Aloise follows:]

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Mr. Shays. Thank you very, very much.

Let me start by asking you all how does the IAEA fit into our effort to deal with Islamist terrorism? Well, first let me do it this way. Is the concern with terrorism that they will get weapons grade material or they will actually get the weapon and the material? Is there a concern, is there an acknowledgement that they can make the weapon, particularly enriched uranium, but would have a hard time getting the weapons grade material? Do you get where I am coming from? In other words, I want to know how relevant the IAEA is to deal with the terrorist threat, and I want to know how relevant the Non-Proliferation Treaty is to dealing with the terrorist threat.

Who wants to start? Mr. Semmel, I will start with you.

Mr. Semmel. I think, Mr. Chairman, that in my opening remarks I said that we need to have a comprehensive approach to nuclear nonproliferation, and that would include a whole panoply of programs, such as export controls and protecting materials at their sources, and export controls and things like that are always essential.

At the end of the day what we were trying to do, as Jack David indicated in his remarks, we want to make sure that dangerous materials do not get into the hands of dangerous organizations or individuals.

Now, in order to do that you have to be able to protect or destroy some of the sources that the terrorist organizations might want to have access to, and, again, there is a variety of programs that are essential for doing that.

The IAEA does have, in addition to its important safeguards and inspection roles that it does, it also has a program called the nuclear security fund, which is a new program that was set up three or 4 years ago, I think, in which the United States is the principal contributor to this. Essentially what that program does is to ensure greater physical protection at facilities and also of materials, better protection of the materials at the various nuclear facilities. This is a program that the IAEA, in that sense, does have a very direct role in terms of making sure that dangerous materials--in this case nuclear materials--don't get into dangerous hands.

I might want to say in your second part of your question, one of the things I think that was discovered in the initial stages of ousting Al Qaeda from Afghanistan is that there was some discovery of documents and materials in which Al Qaeda did have some documentation on designs and nuclear weapons. The question is what could they do with that. It would be very

difficult without an infrastructure to be able to take those designs and make something of them. So I think it is a long way between having----

Mr. Shays. Let me just ask, before the others respond, do you agree that it is relatively easy to build a crude nuclear weapon that could create an explosion with using enriched uranium? Do you agree that you could build a crude weapon, not one that would maximize yield, not one that would be particularly large in its impact, but it would still be a nuclear explosion? Do you agree with that?

Mr. Semmel. It could be done. The key is whether or not a group would have access to fissile material.

Mr. Shays. That is the issue.

Mr. Semmel. Yes. Right.

Mr. Shays. But we can get beyond this issue of whether they can build a specifically.

Mr. Semmel. Right.

Mr. Shays. You do agree that they could build a weapon?

Mr. Semmel. With the right infrastructure and technological know-how, yes, and to have access to that.

Mr. Shays. We are not talking about a small, well-crafted weapon with high yield. We are just talking about a weapon.

Mr. Semmel. Yes. Something beyond a dirty bomb is what you are referring to?

Mr. Shays. Yes. Exactly.

Mr. Semmel. Right. Yes.

Mr. Shays. Mr. David, what is your response to that question?

Mr. David. Well, designs for nuclear weapons have been in the open ever since a college student wrote his thesis on it and published it a long, long time ago.

Mr. Shays. And ran against my predecessor. Actually, he was from Princeton.

Mr. David. Yes.

Mr. Shays. So that is clear.

Mr. David. So there are designs. There is public information out there. There are a number of people who know how to do the engineering tasks that would allow either a complicated or less-complicated weapon. The question is whether the ingredients for a terrorist group to create such a weapon are easy to come by, and the more ingredients there are and the more----

Mr. Shays. When you say ingredients, weapon grade material?

Mr. David. I mean the fissile material, the other parts of the weapon that are necessary in order to initiate a chain reaction, a fusion explosion from the nuclear material, and putting them in the right juxtaposition and the like. All of those kinds of things are the kinds of things we need to keep away from terrorists, and by the means which we have, and we have been trying to do that through the IAEA through, resolution 1540, through interdiction activities, through the proliferation security initiative. All of those efforts are to keep away from terrorists the things they would need to make WMD.

Mr. Shays. I don't want to draw a wrong conclusion, but I have been spending time since 1998, in particular, in my subcommittee looking at this issue. If I am wrong I want to be corrected, but, you know, when you hold enriched uranium in your hand and you can put it in your pocket, when you hold plutonium in your hand wearing a glove, when you realize that it doesn't necessarily give out the kind of signal in

transporting it that I thought it did, when you see a weapon at Los Alamos that basically was made with material that you could get from commercial sources, I come to the conclusion--and that is what I was trying to develop--was where is the effort they important.

Mr. Semmel agrees that you could build a weapon. He agrees you have the technology. I infer, Mr. Semmel, also that it would not be hard to get the material to build a raw, inefficient type of nuclear weapon. That is what I have been told. I want to know if that is the case.

Mr. David, you are sending me mixed signals just a little bit because you are implying that the materials to make the weapon, we would be able to keep them out of the hands of terrorists. I don't think we can. I think the issue really relates to one issue on weapons grade material.

Mr. David. What I had in mind is that the strictures of 1540 enjoining countries to pass laws that prohibit their citizens to aggregate these materials for the purpose of making WMD. That is the sort of thing I had in mind.

Mr. Shays. But tell me if I am wrong, and if you don't know tell me that, and if I am wrong tell me I am wrong.

Mr. David. Say again?

Mr. Shays. If you don't know if I am wrong, tell me you don't know. If you think that I am wrong, tell me I am wrong. It is my understanding, based on the work that my subcommittee has done, that a terrorist could build a raw, inefficient nuclear weapon that would be actually a nuclear fissile, a chain reaction. The issue is it wouldn't be something you could put on the tip of a missile, but in those days we cared about what went on the tip of a missile, so if you couldn't put it on a missile we didn't care about it.

Now comes the wake-up call, September 11th, our fear of Islamist terrorists, our knowledge that they want nuclear weapons. It is fairly clear to me--if I am wrong, tell me--that terrorists could make a very crude nuclear weapon with material that mostly is available commercially. If you disagree with that, tell me you disagree with it. If you agree with it, tell me you agree with it. If you don't know, tell me you don't know.

Mr. Tobey, let's start with you.

Mr. Tobey. I believe that the greatest barrier to a proliferant obtaining the capability to produce a nuclear weapon is acquisition of fissile material.

Mr. Shays. I don't want to go there. I don't want to talk about fissile material. I just want to talk about the weapon. Let's take the weapon first. All I am trying to do is build a case for the need to make sure fissile material doesn't get in the wrong hands. I have constituents who think the bomb is the problem, the weapon, itself, the building the weapon. I want this hearing to be able to illustrate if this is a problem or not.

Mr. Tobey. I agree we should focus on fissile material.

Mr. Shays. And because?

Mr. Tobey. Because that is the greatest barrier to a proliferant obtaining a weapon and it is the one which we can control most directly.

Mr. Shays. OK. So your definition of a weapon is the structure and the material together?

Mr. Tobey. Yes.

Mr. Shays. But to build a bomb minus the fissile material is something they are capable of doing. Do you believe that is

the case?

Mr. Tobey. I believe so, yes.

Mr. Shays. Yes. Mr. Semmel, what is your view?

Mr. Semmel. I think I said yes. I think it is possible.

Mr. Shays. I just want to be clear.

Mr. David?

Mr. David. Well, the answer is yes, but you have to know how to put together the neutron initiator. There is some knowledge. Somebody with a third grade education with no knowledge of what to do couldn't do it.

Mr. Shays. But a graduate student from----

Mr. David. Yes. Correct.

Mr. Shays. And we do know that there are Islamists who have those degrees.

Mr. David. Yes.

Mr. Shays. Yes. Mr. Aloise?

Mr. Aloise. Based on the experts we have talked to, it is possible with a crude nuclear device.

Mr. Shays. OK. So let's get that off the table.

The real issue then is the weapons grade material. Only as it relates to terrorist, if you were to explode a nuclear weapon, the kind of weapon that terrorists would make would be one that would use what? Enriched uranium? I mean, in other words, when we talk about it--and if I am asking the wrong people, then just tell me. The capability to create a crude bomb basically is our biggest concern is with enriched uranium? Nodding of heads won't get in the recorder here. If anybody wants to answer it, I am happy to take this.

Mr. Semmel. Again, I take the same plea that Hans Blix did. I am not a technician on this or physicist.

Mr. Shays. Right.

Mr. Semmel. But I think what I have read, what I understand, that enriched uranium would be the preferred source, yes.

Mr. Shays. And, see, I am just focusing on terrorism right now because it seems to me we have been focused on what someone could put on the tip of a missile on a warhead. There you need the sophisticated weaponry, you need the plutonium and so on. But I have been just focused primarily on our work on what terrorists can do, and that is maybe why you hear me focused on this.

So let me ask you what is the challenge with each of you. Describe to me the difference between plutonium and enriched uranium in terms of its creation and in terms of our capability to secure it. Is there any difference?

Mr. Tobey. In terms of creation, Mr. Chairman, as I am sure you know, there are two paths to a weapon. One is weapons grade plutonium, generally manufactured through running nuclear reactors and separating the plutonium from the spent fuel, and then the other one is to enrich uranium, very different paths. They have different signatures. They require different technologies. I think there are differences in our ability to monitor those activities.

Mr. Shays. Let me just ask if anybody agrees. What I will assume is if one person answers the question we don't need to go to the second person if there is agreement, unless you just jump in. And that applies to Mr. Aloise, as well. Feel free to jump in here.

So if enriched uranium becomes the bigger concern as the weapon grade material of choice for a terrorist, should there be different protocols to deal with that?

Mr. Tobey. We are interested in securing both weapons grade plutonium and highly enriched uranium and disposing of each with the former Soviet states.

Mr. Shays. What I am struck with, though, is that for a terrorist to basically use plutonium, they would have to have the weapon come along with it. If they used enriched uranium, they might have the capability to create the weapon, themselves. That is where my mind is.

Is there any comment about that? Mr. Aloise, do you have any comment about that? If you disagree with my assumptions, let me know.

Mr. Aloise. I am going to have to pass on that question, Mr. Chairman.

Mr. Shays. OK. Anyone care to answer that question?

[No response.]

Mr. Shays. Do you all know why I am asking these questions? In other words, I am looking at a little bit of confusion here and I have been known to confuse people, but do you understand why I am going down this road? If I am going down a road that makes no sense, I am happy to have you correct mitigation.

Mr. Tobey. Well, we are certainly interested in minimization of use of HEU throughout the world.

Mr. Shays. Right.

Mr. Tobey. We have worked hard to return it from HEU reactors and to convert them to LEU and to return the fresh and spent fuel to its sources, so we would certainly agree with that as a problem.

I guess I would just point out that we are also concerned with the weapons grade plutonium as well and believe it is important to secure and dispose of plutonium.

Mr. Shays. Yes?

Mr. David. Mr. Chairman, I would agree with that, and I would also say that, as far as I am concerned, I don't know that I could draw the distinctions between the relative difficulty for very smart graduate students who are probably motivated making a crude weapon out of uranium or a crude weapon out of plutonium. I understand that the uranium route is an easier one technologically, engineering-wise, but I am not sure about the gradations of making a plutonium weapon, and I don't think I am qualified to comment on that.

Mr. Shays. Maybe our third panel will be able to express an opinion on it.

Let me go do this. Let me go to Mr. Van Hollen. I have been over my time limit.

Mr. Van Hollen. Thank you very much, Mr. Chairman. Let me thank all of the witnesses for your testimony and for your public service. Let me just say a special word about Mr. Semmel, who I have worked with early on in the 1980's. I had an opportunity to work with Andy at the Defense Department when we were both at the Defense Security Systems Agency, I as a very new person, really, interning there. I want to thank him for his service. I learned a lot from him during my years there and I want to thank him and all of you for your service.

Let me just ask you all about A.Q. Kahn and the information and technologies that he essentially steered in the direction of Iran and Libya and others. I assume you would all agree that it would be useful if we were to be able to sit down and talk to A.Q. Kahn and figure out exactly what technologies he provided, wouldn't you agree? And my understanding is that we have not had that opportunity. Have we had that opportunity, the U.S. Government, to sit down with A.Q. Kahn? The answer is

no, right?

Mr. Shays. Let me just say this. It is important that we get a yes or no because the transcriber is still not good at getting shaking of heads one way or the other.

Mr. Van Hollen. If I could just get an authoritative answer from someone on the panel.

Mr. Semmel. Short answer, we have learned a lot from A.Q. Kahn. We have not had extended sit-downs with him.

Mr. Shays. Let me just interrupt 1 second just to say if, in fact, one person answers, we are going to make an assumption either you have nothing that would contradict that answer or you agree with the answer. If someone disagrees with the answer, then we would expect that you would jump in. Thank you.

Mr. Van Hollen. Has the U.S. Government or an official of the U.S. Government representing the U.S. Government had the opportunity to sit down with A.Q. Kahn to discuss the information and technologies that he provided to Iran or Libya?

Mr. Semmel. That is a very sensitive question. I think we would have to get into a closed session on that. I can just tell you, to repeat, that we have had lots of information that has come out in interviews that have taken place with him, but to the extent that we have had personal one-on-one type of interviews I think we would have to sit down and talk about that in closed session.

Mr. Van Hollen. I understand that. Let me ask you this: are you satisfied that we, the U.S. Government, has the benefit of everything that you think would be useful to know from A.Q. Kahn?

Mr. Semmel. Well, to take lead on this one, we don't know what we don't know, to begin with, and I would suggest and assume that there is information that we would like to have that we don't have. We have to make that assumption at this stage of the game.

Mr. Van Hollen. Well, let me just say we have had President Musharaff here and we want to thank him for his support and efforts with respect to going after Al Qaeda in Afghanistan, although I happen to think that the Pakistani government could be doing a whole lot more than they are now, but I also think that we should be using the opportunity to make sure that we get the maximum amount of information that we can from A.Q. Kahn. It was a gross diversion of important technology and information, and I think there are still many questions where his input and testimony could be helpful.

Let me just turn quickly to the question of Iran. Mr. Negroponte back in April said that his assessment and the assessment of the intelligence community with respect to when Iran might obtain a bomb was somewhere at the beginning of the next decade between 2010 and 2015. Is there any information any of you gentlemen have that would change that assessment?

Mr. David. That gets into another area that would be with classified information, I think.

Mr. Van Hollen. That was something that Mr. Negroponte said on the record with respect to that timeframe. Is there any information that would change that assessment?

Mr. David. Whether there is information or not about the time lag for n to complete making its nuclear weapon is a subject that should be discussed in a classified round.

Mr. Van Hollen. Let me ask you, Mr. Chairman, if there has been a change in this assessment I would encourage us to seek a session in the intelligence community room.

Mr. Shays. Would the gentlemen be clear as to what he is

requesting?

Mr. Van Hollen. My question is if the U.S. Government now has a different assessment with respect to the timeframe in which Iran might obtain a nuclear weapon. I would like to know that. If there has been a change in that assessment, whether or not there has been a change, we have to go into a secret session, I think we should do that.

Mr. Shays. I think you are right. Thank you.

Mr. Van Hollen. Let me just ask the gentlemen, there was a staff report that was issued by the House Intelligence Committee. Are you familiar with that report?

Mr. Semmel. Yes.

Mr. Van Hollen. OK. Have you had an opportunity, Mr. Semmel, to review that report?

Mr. Semmel. I know of the report. Yes.

Mr. Shays. OK. I mean, we have some of the people who are the top officials on nonproliferation here at the table for the administration, right? I am just trying to get information out here.

Mr. David. May I interject that you are asking questions that we get information on from the intelligence community about, and perhaps the intelligence community would be a better source for asking information about the current intelligence.

Mr. Van Hollen. All right. Well, Mr. Semmel, have you had an opportunity to look at the House Intelligence Committee report?

Mr. Semmel. I think to be very fair about this I have not read the report. I know of the report. There has been obviously extensive media coverage. In fact, as I like to say, column eight, I think the Washington Post front page at one point in time had coverage of the report. I have not read it. I have seen the response to the IAEA to the report, but I have not read it in depth, but I understand. I see the commentary on the report.

Mr. Van Hollen. I mean, just for the record, as you have stated, Mr. Semmel, the IAEA actually took the sort of unusual step of writing to the chairman of the House Intelligence Committee specifically taking issue with the number of points raised in the report, stating that they were wrong based on the IAEA's information. I think, given our past mistakes of the U.S. Government with respect to intelligence gathering to lead up to the war in Iraq, and given the fact that the IAEA and Mr. Blix, within his domain, got it a lot more correct than the U.S. Government, it would behoove us, it seems to me, to listen. There were points raised by the IAEA.

I guess my question to you, if any of you gentlemen know, is: do you agree with the points that were raised? And let me just say this is a report that was released. I mean, I have the report right here. This is not a classified report. I mean, we don't need the intelligence community here to testify with respect to particular points in that public report, at least as they relate to claims about Iran's advances on the nuclear program and the proliferation issue. So I guess my question to each of you is: do you have any reasons to doubt the IAEA's claims that portions of the report were wrong? Do you have any reason to dispute what the IAEA said about the House intelligence Committee's report?

Mr. David. I haven't read the report and I am not going to quibble with one side or the other side about what they said about this detail or that detail, but there isn't the slightest doubt in my mind, from everything that I know, that Iran is

seeking a nuclear weapon.

Mr. Van Hollen. That wasn't my question, sir. I just want to make sure, because I think the intelligence assessments, as I think we have learned the hard way, are very important. My only question is--and I guess the answer is no, that you don't have any information that would dispute the claims raised by the IAEA in their letter; is that right?

Mr. Semmel. I would just say, Mr. Congressman, that first of all the report, as I understand the House Intelligence Committee report, was derived largely from public source information and it was not information that was derived that was sensitive, but it was from a variety of sources that are available out there that all of us can access to with diligent research, and so on.

I have seen the IAEA's response to the report and I think the IAEA, to the extent we can agree with the IAEA's assessment and the various reports that have been done over the years on Iran, the IAEA I think, if we give that some veracity, then I think the IAEA's letter is something that I personally could not disagree with.

Mr. Van Hollen. Thank you. Now, Mr. David, you mentioned your assessment with respect to Iran's intentions, and I am not disputing your assessment of their intentions. At the United Nations recently President Bush did make a number of statements with respect to Iran, and one of the things he said was, ``We have no objections to Iran's pursuit of a truly peaceful nuclear power program.'' My question to you gentlemen is: how would we go about designing a peaceful civilian nuclear power program in Iran that satisfied our nonproliferation concerns?

Mr. Semmel. Well, I think the first order of business is to get some confidence that, indeed, the program that Iran has been embarking on for the past nearly two decades is something that we can believe with a high degree of confidence is not aiming at some nuclear weapons capability. There have been at least seven resolutions and six or seven reports by the Secretariat of the IAEA that raises questions about that.

Before we can hope to even come to any inkling of an inference that Iran has embarked upon purely a nuclear energy program, devoid of any nuclear weapons intentions, it seems to me we have to clean up the record at this point in time as to where Iran has been, where they are right now. And, indeed, the Director General's report on August 31st, the most recent report, indicates that Iran has not taken the steps that are necessary to alleviate any concerns that we have about their intentions beyond what they say they are with regard to a civil nuclear energy program.

I think before we even get into that degree of confidence we have to resolve the existing problems.

Mr. Van Hollen. I understand that. I understand that, Mr. Semmel, but that was not the question. This is not my statement. This is the President's statement. The President went beyond saying what we all agree, that we don't want Iran to have a nuclear weapons program, he went on to say that he had no objection to Iran's pursuit of a truly peaceful nuclear power program. I am quoting from his statement before the United Nations.

I am not saying that is a good idea or a bad idea, but I assume before making that statement the administration had done some assessment about whether he could design a program that gave it confidence that Iran could have the benefits of civilian nuclear power, which the President states, and at the

same time meet any concerns we have with respect to nonproliferation. I assume the President and the administration did some assessment of that before he made that statement. I am just curious as to exactly whether or not you are familiar with any work that has been done on that question and what the proposal is from the administration, some rough design or program that would address that point made by the President.

Mr. Tobey. Congressman, I think that one could look at hallmarks of such a peaceful program, and in the U.N. Security Council resolution that was passed on Iran, which actually is derived from the IAEA Board resolutions, and in that resolution it talks about suspension of enrichment and reprocessing, halting construction of the heavy water reactor that was referred to by Dr. Blix, and full cooperation with the IAEA, including adoption or ratification of the additional protocol. I think these would be steps toward providing assurance to the international community that Iran's programs were, indeed, for peaceful purposes.

Mr. Van Hollen. Thank you. I yield back.

Mr. Shays. I thank the gentleman very much.

Mr. Duncan, you have the floor.

Mr. Duncan. Well, thank you very much, Mr. Chairman. I had some previously scheduled appointments, and I am sorry I did not get to hear the testimony, and so I am sure you probably want to get on to the next panel, so----

Mr. Shays. We are fine, sir. Just do your thing.

Mr. Duncan. Thank you. Just a couple of brief questions.

First of all, to all of the gentlemen on the panel, I understand that you have very important positions in our Government, and from what I have read and heard and so forth I know there are other countries that cooperate and are involved in this process, but I have the impression that the U.S. really takes the lead and does far more than any other country in devoting money, resources, manpower, leadership, and employees, and everything else to the nuclear nonproliferation effort throughout the world. Would you say that is correct?

Mr. Tobey. Yes, sir. I take some pride. I am new to the job, so I can take some pride but no credit for the fact that I think we have one of the best or the best nonproliferation organization in the world.

Mr. Duncan. Well, I think that is something we should be proud of. I just wanted to put that on the record.

Mr. David, you said that you had no doubt that Iran is attempting to develop nuclear weapons. There is a report in the Washington Times today about some type of possible deal that would suspend their uranium enrichment program for 90 days while talks would continue. Do you feel that is just some sort of delaying tactic, or do you see any problems with talks of that nature, if they are going on?

Mr. David. I think that it is very important that we exhaust every bit of diplomacy we could possibly exhaust to attempt to prove that Iran could be dissuaded from going forward on the path that I believe it is going forward on. I don't know whether or not this hint of a 90-day suspension is real. We have had hints of cooperation from Iran many times before, only to have them withdrawn for one reason or no reason. I hope it is a promise and I hope that there are negotiations and I hope that they are successful.

Mr. Duncan. All right. Thank you very much.

Thank you, Mr. Chairman.

Mr. Shays. Thank you.

Let me talk about the IAEA. First off, it was my understanding that for about 15 years it was a zero growth budget at the IAEA. Was that the fault of the United States or just a general decision of all the countries involved? If that has changed now, are we the major proponents of increasing their budget or are we tolerating the increase? Who could speak to that issue?

Mr. Semmel. I can start out on that. You are absolutely correct. I think for a period of perhaps 15 to 20 years--I don't know the exact amount--that IAEA was operating in its regular budget at zero growth, and it was not until about three or 4 years ago that, through a concerted effort in which the United States took a lead role, that we pushed against considerable opposition at the IAEA to increase the budget.

Mr. Shays. Even within the----

Mr. Semmel. That was in the Secretariat, but with opposition among other states' parties to the IAEA.

Mr. Shays. OK. And what do we think was the reason for their reluctance to see it have a budget that would grow with at least inflation?

Mr. Semmel. Well, other countries are mindful of their taxpayers and simply do not want to have the obligation to have to pay and come up with more annual payments, regular payments.

Mr. Shays. So we pay a disproportionate share, in one sense, but we were willing to say we need to do it. We weren't paying others' shares. We were saying we all need to step up to the plate and we all need to contribute?

Mr. Semmel. Right. The increase would, of course, be disproportionately falling on the United States, since we pay already 25 percent of the regular budget. Other countries are reluctant to pay additional assessments to a IAEA and they resisted that. It took several years of effort, in fact, to get the increase approved at the IAEA.

Mr. Shays. Now, we have candid criticism of the United Nations, its failure to deal with a variety of issues. Our criticism is not shared by many of our very good friends around the world. But do we have that same criticism of the IAEA? Are we comfortable with its approach, its energy, its capabilities, its powers? Do we recommend that it have new people? Do we recommend that it have new powers, new capabilities? If all three of you, and Mr. Aloise, if you want to step in, as well, maybe you could give us your sense of what we think as we view it from the legislative side.

Mr. Aloise. First of all, I think the general view, from the people we have talked to all over the world and our U.S. Government, is that IAEA is a very important agency which has a lot of respect. Despite some problems in the past, it is really the only agency out there that is in other people's countries verifying nuclear materials.

It is facing a lot of challenges, not only budgetary but, as I mentioned in my statement, its human capital challenge. It is going to lose a large number of its safeguards inspectors in the next 5 years.

Mr. Shays. That is a funding issue or retirement?

Mr. Aloise. Retirement issue. And some of that relates to IAEA's personnel policies. They have a mandatory retirement age that is forcing a lot of people out. In fact, the State Department and the Department of Energy have come up with some very novel ideas to keep people working there at IAEA, even though they are beyond the retirement age.

We have made recommendations in our report that State

Department needs to work with IAEA to help change the personnel policies because it is working against them in many cases. For example, they need people who have expertise in uranium enrichment processes, and are not even taking the actions they need--IAEA is--to get these people. Further, there are not that many students going through these nuclear studies any more and the pool is shrinking of experts to choose from.

Mr. Shays. Thank you. I would like to hear from Energy, State, and Defense on the questions that I ask, you know, how the IAEA is doing, our Government's sense of what it is doing. You heard me before, so I don't need to repeat.

Mr. Tobey. I think the IAEA plays an important and constructive role. We do think that there are ways in which the IAEA's work can be improved, and we are trying to work with both the Secretariat and other member states, and, in particular, the Board of Governors. I would cite, particularly, improving IAEA authorities through universal adherence to the additional protocol, and we would also like to improve their capabilities through better technology. We are working to do that with safeguards technology agreements.

Mr. Shays. So while you have touched technology, let me just ask you to give me an example of different technologies and what we would like, what they like them to use.

Mr. Tobey. I think we, frankly, would like to see better monitoring technologies. Some of that gets politically sensitive, but real-time monitoring of installations could be an improvement.

Mr. Shays. OK. Mr. Semmel.

Mr. Semmel. Yes, Mr. Chairman. When President Bush made the now-well-known speech at the National Defense University in February 2004, he laid out seven nonproliferation initiatives. Interestingly enough, three of them pertain directly or indirectly to the IAEA. One of them had to do with what we have already mentioned here, pushing for universalization of the additional protocol, which is a strengthening safeguards agreement on the part of countries.

The second one was something which we call now the Committee on Safeguards and Verification. This is a Committee on Safeguards and Verification that the IAEA actually approved unanimously last June, June a year ago, and is designed to be advisory to the Board of Governors at the IAEA and to identify ways in which we can strengthen safeguards and improve the IAEA's ability to be able to detect illegal use of materials, and so forth.

There is a third initiative, which the President also mentioned, which we are working on at this point in time.

So on a number of issues we obviously agree that the IAEA is an important part of the nonproliferation regime, if you want to call it that, but that it needs to be strengthened. We are the major contributor, as you pointed out. We also contribute on an annual basis voluntary contribution in the vicinity of around \$50 million a year. Once again, we are the single largest contributor in the voluntary funds. Some of those resources go to improve safeguards.

To address what Mr. Aloise said, one small fraction of those voluntary funds also go to fund something called cost-free experts, in which we provide, on a non-reimbursable basis, to the IAEA individuals that have certain technical skills that the IAEA otherwise does not have, and we basically pay for that person. It could be a year, 2 years, two and a half years. One of my colleagues was there for 2 1/2 years.

Mr. David. I would only add to what my colleague said, that the Committee on Safeguards and Additional Protocol, which President Bush suggested in 2004, and which has come into existence, is also discussing the issue of the loss of personnel and bolstering up the personnel who could do inspections and the like, and dealing with the problems that Mr. Aloise talked about.

Mr. Shays. Let me ask you, I have been to Mayak, the facility. It was an amazing experience, forty hectars of property and a huge building on that property. How much of the weapons grade material of the Soviet Union actually is captured in that facility?

Mr. David. I can't tell you how much, but I know they started putting it in in July and we are really happy about that.

Mr. Shays. Yes. I mean, this is a facility, as I remember, football fields in size, very thick ceiling, I think ten feet or more, tubes that go down about 18 feet. Bottom line is, it is going to hold a lot of material, baskets all along the way. But we are starting to see that capture some of it?

Mr. David. Finally in July. As you know, it was a point of contention between Russia and ourselves for a long time, but it wasn't being used. They actually finally started moving material into the facility in July of this year.

Mr. Shays. OK. And so the question I have, though, is that a significant amount of extra weapons grade material, or is it a small percent?

Mr. David. As far as I know, it is an ongoing process at this point of moving material in there. I don't know how much has been put in so far, but our expectation and our requirement is that they use this facility that CTR funds, United States taxpayer funds, helped to build.

Mr. Shays. And the question is: have we been able to express an opinion about the safeguarding of the transporting of this material to Mayak?

Mr. Tobey. We do, I believe, address transportation issues within Russia, yes, help to fund secure ways to do that.

Mr. Shays. OK. Mr. Duncan, do you have any questions you want to ask?

Mr. Duncan. Iran, Mr. Chairman.

Mr. Shays. OK. Let me just ask you about the Fissile Material Cutoff Treaty. The question I am going to ask is: how has U.S. opposition to international verification of the Fissile Material Cutoff Treaty undermined the Nuclear Non-Proliferation Treaty?

Mr. Semmel. Well, I am not sure that it is, first of all.

Mr. Shays. I am going to ask, since my knowledge in this area is a little weak, I am going to just ask that my professional staff, participate in this. But that is the question I asked you. Why don't you answer it and then I will have him followup.

Mr. Semmel. I would say, Mr. Chairman, that, in fact, if you were to ask other members of the Conference on Disarmament where the FMCT, Fissile Material Cutoff Treaty, has already been introduced, we have introduced the text in July, as well as a mandate for negotiations on the FMCT. If you were to ask everybody else, there are serious questions that some countries had, particularly on the verification issue, but there are some other issues about definitions of what is fissile material.

Mr. Shays. When you say some countries, can you define what----

Mr. Semmel. In order for the Fissile Material Cutoff Treaty to be a treaty and to be enforced, obviously we have to negotiate it with other countries. Other countries would have expressed some concerns, particularly about the fact that the text that we have introduced did not include a verification provision in it, so this is an issue which we will have to negotiate.

I can tell you this, though, to respond more directly to your question: virtually everybody is happy that we have gotten this text of the treaty introduced, for no other reason than that if you look at the track record of the Conference on Disarmament, it has done virtually nothing for the past 10 years. It has accomplished zero. And the reason it has accomplished zero is because every country or set of countries wants to tie their issues to other issues and they can't get a work plan developed.

One issue that there is general consensus on that we ought to move forward on, however we move, whether it is fast or slow or whatever the nature of the text might be, is the FMCT. So there is a general--I wouldn't call it elation, but a general happiness that the Conference on Disarmament in Geneva may actually get down, if not this year certainly next year, to begin to iron out its agenda and begin to negotiate on that. So they are pleased. We are pleased that the FMCT finally has been introduced, and I think if we were to make progress, if we were to negotiate this over the next several years, this would be a strengthening of the NPT, not weakening it.

Mr. Chase. Mr. Aloise, can you respond?

Mr. Aloise. I really don't have a response.

Mr. Chase. OK. Just a followup to that, then: has the U.S.'s civil nuclear cooperation with India changed the FM Cutoff Treaty?

Mr. Semmel. FMCT. Well, it hasn't changed it. No, not at all. In the July 18th statement between President Bush and President Singh, the Indians indicated that they support and they will work with us to support an FMCT treaty. Of course, they have expressed--to be candid here, they have expressed the position that it should have a verification provision in it. The point is that they have already committed to work with us in terms of moving that FMCT treaty.

Mr. Shays. Let me just interject myself, though, to ask how has the United States' efforts to reach out to India impacted our interaction with our allies? Have they been indifferent, critical, critical but positive? I mean, how would you define its impact?

Mr. Semmel. I think, again, to be candid, you have a scattergram of responses on that. A number of the countries, obviously, the French, the British, and others, are very pleased with this, Russians, as well, the FMCT. And there were others who were raising serious questions. Those same countries are very supportive right now of the proposed U.S.-India civil nuclear cooperation initiative, if you want to call it that. There are a number of countries that have raised serious questions and continue to raise serious questions. We will negotiate and try to respond to those in the various fora that are available to it, particularly in the Nuclear Suppliers Group and something called the Consultative Group of the Nuclear Suppliers Group, where a lot of these issues are being hammered out, putting aside those issues are being hammered out in the Congress, as well, but on a different level.

So it depends who you talk to on this. I think a number of

countries have expressed skepticism. I think at the end of the day, when we get to the critical point in the Nuclear Suppliers Group, which requires a unanimous decision as to whether or not India will be treated as an exception that would allow it to receive nuclear fuel and certain technologies, I think we will eventually get consensus on this and countries will be satisfied with the dynamics that have taken place.

Mr. Shays. Let me just ask a quick question. It might take forever to answer, but I would like to know, was there a huge debate in our own administration as to reaching out to India? And then, in the end, what was the pivotal issue that said we need to do this?

Mr. Semmel. Well, yes, of course there was a debate. This is a fundamental decision.

Mr. Shays. Right.

Mr. Semmel. This is a significant decision in terms of our foreign policy.

Mr. Shays. Right.

Mr. Semmel. As well as our economic policy, and others. It depends who you talk to, what the critical turning points may have been, but at the end of the day our relationship with India--I think when President Bush came into office in 2001 he said he wanted to try to have an impact on our relationship with India. India has a booming economy. India is the world's most populous democracy, will some day in the next 15 or 20 years or so be the most populated country in the world. Our relationship with India over the past years has been correct but not necessarily warm. So in order to improve upon that relationship, as the relationship between countries in Asia and South Asia have begun to change, it is important for us to establish a better strategic relationship with a country that is emerging as a very significant player, not just in the region but in the world.

Mr. Shays. Thank you. Do you have any questions you would like to ask?

Mr. Van Hollen. Thank you, Mr. Chairman. Again, let me thank all the witnesses for their testimony.

I have a question with respect to where we are and where we are going. As we know, the North Koreans have essentially, at least for now, walked away from the six-party talks. They just stated again today that they didn't have any intention of coming back in the near term. They say that they have nuclear weapons. They tested a missile not too long ago. It wasn't that successful, but they tested it. As you have all testified, or some of you testified, they decided to withdraw from the Non-Proliferation Treaty.

Where are we going? I mean, where are we going with respect to North Korea? I mean, they continue to crank out the materials necessary to make nuclear weapons. I mean, isn't this a huge failure in our nonproliferation policy? And what are we going to do to fix it?

Mr. Semmel. I need to say it is difficult. Those who have negotiated with the North Koreans tell me that they are among the most difficult negotiators that they have ever encountered. I think the important thing is we would like to sit down. We would like the resumption of the six-party talks as soon as possible. We made that point very clear to the North Koreans, as well as to the other members of the six-party talks. The North Koreans will sit down and talk and resume the six-party talks when they are ready. The question is how do you get them to be ready. It is hard to be able to discern what their real

motivations are.

They say right now that they are not ready to resume those talks that were suspended in September a year ago, a year ago actually this month, because of certain hostile behavior, I think is the way they phrase it, by the United States, and this hostile behavior is, as they point out, involves the number of financial sanctions that we have placed upon them for their illicit behavior on counterfeiting and so forth. But to get the North Koreans to the table is difficult.

They say they want to have one-on-one talks. We are not ready for that at this point in time. They can talk to us any time they want, and, as you probably know, Chris Hill, when he was in the region not too long ago, sat down with his counterpart, the North Koreans, on the margins of meetings. We said they can have one-on-one conversations in the context of the six-party talks.

But I think if the North Koreans were serious about wanting to sit down again and resume these talks, they would be doing it. But it is an intractable issue and where it will end I am not sure at this point.

Mr. David. Just to add to that--and I agree with all that Andy said--we are working with the other five parties of the six parties to do what we can to get them to do what they can to pressure North Korea to make an irreversible decision to abandon their nuclear weapons ambitions and program and to irreversibly destroy it.

We are working beyond those six parties with other countries of the world. A couple of months ago we succeeded in getting a U.N. Security Council resolution that imposes requirements--the word require is in two paragraphs--requiring countries to do certain things and not to do certain things with North Korea. Just last week or last weekend, can't remember which, Australia and Japan announced that they were imposing sanctions on North Korea.

You know, we will keep the effort up. The diplomatic multinational approach that we are taking will take time.

Mr. Van Hollen. Thanks. One last question on Iran, if I could.

Mr. Shays. You may.

Mr. Van Hollen. Thank you, Mr. Chairman.

We mentioned the Strategic Cooperation Agreement with India, and, as you know, the House passed that agreement not too long ago, a number of weeks back. Shortly after that--and Mr. Semmel is probably familiar with this--as a result of being in charge of nonproliferation at the State Department--the State Department formally announced the imposition of sanctions under the Iran Nonproliferation Act of 2000 against two Indian entities for the transfer of WMD equipment and technology to Iran. If you could just provide us a little bit more information on that, what it means with respect to cooperation from the Indian government on transfers.

And finally my question is this: does Iran today continue to be dependent on getting foreign technologies to complete their nuclear program? Or, if you were to make sure that no new technologies could get into Iran that related to nuclear issues, would they have the indigenous capability now to complete a nuclear weapons program? I have heard conflicting testimony. I have heard some say that Iran continues to be dependent on some technologies that they don't have domestically in order to complete their work, and some say they have already got everything they need. So if you could just

comment on both the questions, first with respect to the imposition of sanctions on the two Indian entities, and then with respect to Iran's capabilities.

Mr. Semmel. I think on the imposition of the two entities, I think part of your question may be motivated by the timing implicit in your question that the report came up, I think, some time after the House had voted on this. I can only tell you that, as you know, having worked on the Senate side for some time and having written many pieces of legislation for my boss then requiring reports, I can tell you that in this case putting this report together was required reading voluminous documents, I think well in excess of 10,000, involving inter-agency cooperation between the intelligence community on this. The time that it took to put this together I think was extraordinary. It came in late. I honestly don't think it was intentional. I think it was an evolution of the way in which this report was put together.

Now, the two entities that were identified had to be identified because of existing law. I mean, the law simply said we had to take these steps. I believe one of the entities was identified not because of any kind of activity it had with Iran on the nuclear side but on the chemical side, if I recall. You may recall this better than I.

So this is something which we are obligated to do in terms of assessing through our various sources of information that these entities have been involved in activities that are subject to a determination that they have been in violation of our act.

On the other question on is Iran self-sufficient, my best guess on this is no, they are not self-sufficient at this point in time. I think if there were a complete wall around Iran they would not be able to import certain kinds of technologies or information or insights, for that matter. I think what you would have is, since I happen to feel that Iran is absolutely determined to have the nuclear weapons capability, I think they are on a glide path that we have been able to slow down and interrupt, sort of like a heat-seeking missile going off track but going in one direction, that direction being the ability to have the nuclear weapons capability.

I think if we were to put a wall around Iran that was effective--and that, by the way, is virtually impossible, given the long borders that it has--it would slow down a process. It would make the time tables that you alluded to in an earlier question protract out for a much, much longer period of time.

I don't think--my colleagues might want to comment on this--that Iran has the total indigenous capability at this point in time to be able to move from where they are now to having a nuclear weapons capability and nuclear weapons, as well.

Mr. Van Hollen. Thank you, Mr. Chairman.

Mr. Shays. I thank the gentleman.

Is there anything that any of the four of you would like to put on the record, any question we should have asked you that we didn't think to ask you that would be important to put on the record? Frankly, sometimes that question solicits sometimes the most important part of our hearing. So is there anything we need to put on the record?

Mr. Tobey. No, sir.

Mr. Shays. OK. Let me then thank you all, Mr. Tobey, Mr. Semmel, Mr. David, and Mr. Aloise. Again, Mr. David, our country is grateful for your service. The Congress respects

your service, as well, and whatever you are going to be doing next week we wish you all the best.

Mr. David. Thank you very much.

Mr. Shays. Thank you.

We are going to have a 1-minute break and we will go with our third panel.

[Recess.]

Mr. Shays. We will begin with the third panel: Ambassador Thomas Graham, Chairman of the Bipartisan Security Group, Global Security Institute; Mr. Baker Spring, F.M. Kirby Research Fellow for National Security Policy of The Heritage Foundation; Mr. Jonathan Granoff, president of Global Security Institute; Mr. Henry D. Sokolski, Nonproliferation Policy Education Center; and Professor Frank von Hippel, Co-Chairman, International Panel on Fissile Materials.

Gentlemen, I know it is late. I don't do the 5-minute rule as much with the third panel. If you waited the longest, I will stay here until you make your statement, but we will do the 5-minute and I will trip over another 5 minutes.

It is great to have you here. You know the questions we asked the other panels. If you care to answer that in your presentation, your full statement will be in the record as written so you have some choices here. And if there were some questions we didn't ask that you want to put on the record in your opening statement that we should have asked, we are happy to have you do that, as well.

Ambassador, thank you so very much. Thank you again for your patience, and you have the floor.

[Witnesses sworn.]

Mr. Shays. Note for the record that all five witnesses have responded in the affirmative.

Now, Ambassador, I can believe what you tell me.

STATEMENTS OF AMBASSADOR THOMAS GRAHAM, JR., CHAIRMAN, BIPARTISAN SECURITY GROUP, GLOBAL SECURITY INSTITUTE; BAKER SPRING, F.M. KIRBY RESEARCH FELLOW FOR NATIONAL SECURITY POLICY, THE HERITAGE FOUNDATION; JONATHAN GRANOFF, PRESIDENT, GLOBAL SECURITY INSTITUTE; HENRY D. SOKOLSKI, NONPROLIFERATION POLICY EDUCATION CENTER; AND FRANK VON HIPPEL, CO-CHAIRMAN, INTERNATIONAL PANEL ON FISSILE MATERIALS

STATEMENT OF AMBASSADOR THOMAS GRAHAM, JR.

Ambassador Graham. Mr. Chairman, I have a short statement which I will read. If, in the course of the subsequent discussions, you want to revisit the issue of how easy it is to make a nuclear weapon, I had a very interesting experience in South Africa some years ago in which they explained to me what they did, and I would be happy to talk about that later if you wish.

Mr. Shays. I would love that. I won't count that as your time now, so we will make sure we ask.

Ambassador Graham. All right.

Paul Nitze was the archetypical cold warrior and nuclear weapon strategist, yet in the last op ed that he wrote, at the age of 92, in 1999, entitled, A Danger Mostly to Ourselves, he said, ``I know that the simplest and most direct answer to the problem of nuclear weapons has always been their complete elimination.'' Senator Sam Nunn, in an article in the Financial Times in late 2004 said our current nuclear weapon policies, which in effect continue to rely on the deteriorating Russian

early warning system to continue to make correct judgments
`risks an Armageddon of our own making.' And former Defense
Secretary William Perry said not long ago that in his judgment
there could be a greater than 50 percent chance of a nuclear
detonation on U.S. soil in the next decade.

The Nuclear Non-Proliferation Treaty, the NPT, is the
centerpiece of world security. President John F. Kennedy truly
feared that nuclear weapons would sweep all over the world,
ultimately leading to 40 or 50 nuclear weapons states in the
world today. If this had happened we would live in an almost
unimaginable security situation today. Every conflict would
carry with it the risk of going nuclear, and it would be
impossible to keep nuclear weapons out of the hands of
terrorists, they would be so widespread. But this did not
happen, and the principal reason that it did not was the entry
into force of the NPT in 1970, combined with the extended
deterrence policies of the two rival superpowers during the
cold war, which now have passed into history.

However, the NPT nuclear weapon states, particularly the
United States, have never really delivered on the disarmament
part of the NPT's central treaty bargain, which would mean for
the United States, at a minimum, ratification of the Nuclear
Test Ban Treaty, revival of the nuclear weapon reduction
process begun by President Reagan, and a drastic downgrading of
the role of nuclear weapons in the security process.

Now, in the wake of nuclear programs in North Korea and
Iran and A.Q. Kahn illegal nuclear transfers ring in Pakistan,
the other side of the NPT's central bargain has begun to fall
apart.

It is of paramount importance to attempt to revive the NPT
as a treaty system based on law and to restore its credibility.
In the context of a breakdown of world order and the war on
terror, with the looming potential failure of the NPT and the
ensuing likelihood of widespread nuclear proliferation that
President Kennedy so rightly feared many years ago an
increasing possibility, with nuclear tension a growing threat,
with thousands of strategic nuclear weapons on high alert and a
Russian early warning system continuing to decline in
effectiveness, the urgency of such an effort simply cannot be
under-stated. But if, in fact, it is indeed too late to change
the course of nations with respect to the NPT in order to save
the NPT, then, in the interest of the security and safety of us
all, some way must be found to proceed directly to the
worldwide elimination of nuclear weapons, as Paul Nitze urged
over 6 years ago. Very difficult, but not impossible.

But in this the United States must lead. There is no
alternative. In order to do this, the United States must return
to its historic destiny of keeping the peace and prospering the
development of the community of nations, democracies, free
market economies, the international rule of law, international
institutions, and the international security treaty system.

As the Secretary of State said last year in a speech to the
American Society of International Law, when the United States
respects its `international legal obligations' and supports
an international system based on the rule of law, we do the
work of making this world a better place, but also a safe and
more secure place for America.

Thank you.

[The prepared statement of Ambassador Graham follows:]

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Mr. Shays. Thank you, Ambassador, for your very thoughtful statement. We appreciate it.

Mr. Spring.

STATEMENT OF BAKER SPRING

Mr. Spring. Thank you, Mr. Chairman. Obviously, this is a pressing topic, and I very much commend the subcommittee for holding such a timely hearing. Along with the related issue of terrorism, I don't think that there is any more important security problem facing the United States than this today.

I would like to focus my remarks on the recommendations of the U.N. Commission on Weapons of Mass Destruction. You have heard from Dr. Blix earlier, and I think that it is worth the time of the committee to at least assess some of the more important recommendations, at least that I found in the Commission's report.

Let me say that I think that it is essentially a mixed bag. There are some recommendations in the Commission report that I think are very positive and valuable with regard to what U.S. policy should be toward nuclear nonproliferation, as well as potentially other weapon of mass destruction, but I think that there are others that could muddy the waters and make it more difficult to move forward, so I just want to itemize those, both on the positive and negative side of the ledger.

First, I think that the Commission was absolutely correct in saying we need to focus on the underlying motivations that cause countries to try to pursue weapon of mass destruction and nuclear weapons, in particular. Getting at that dynamic to me I think is at the heart of the problem. That suggests a two-track approach to nonproliferation, one that is the NPT track that is global in nature, and the second track that looks at the regional issues that I think are coming to the fore,

particularly in this era, in order to address those underlying security concerns that would drive nuclear proliferation.

The second is one that has been addressed by this hearing in detail, also addressed by the Commission report, which is the special threat posed by terrorists with weapon of mass destruction, and again particularly nuclear weapons. In that particular case I think the real risk is, if they get them, the propensity to use them is much higher than for states, for reasons that are unique to terrorist organizations.

Another positive recommendation of the Commission report is very much related to the first issue I raised, which is this regional dimension. The Commission report addresses that, particularly in the hard cases of Iran and India and Pakistan. In this section of the report I wish they had spent a little more time on North Korea. They did that in other sections, but I think that is to be commended.

Continuing the Russian-U.S. nuclear arms control process, the United States is continuing to do that, and I think supporting the administration in its engagements with Russia which occurred earlier this month, as I understand it, regarding the future of start, for example, is important.

Maintaining high standards on controlling fissile material and making sure that those control mechanisms are effective is very important, in my view.

Let me deal with what I think are some of the problematic elements of the Commission's report, which was also addressed by Ambassador Graham.

The temptation to move directly to comprehensive nuclear disarmament I think is wrong headed. What they are basically saying is that we are having trouble in the nonproliferation regime; let's move the goalpost farther down the field in the hope that we would somehow achieve those goals more quickly. I think that is sort of convoluted logic and I think it carries some very significant security risks for the United States.

The importance of the Nation state system--I think that the Commission pays too little credit to nations to make decisions regarding their own security, and in this case particularly the United States. The Commission makes recommendations that would concede to the United Nations Security Council greater powers than I think that they really should be exercising in terms of making decisions about when a threat is present and what we would do about that in the case of the United States as an individual nation.

Pursuing no first use policies, as well as granting broader negative security assurances--I believe that the idea of the United States providing security assurances on the positive side, as we have done with some problematic states in the past vis-a-vis proliferation, like South Korea and Taiwan, are very important. And modernizing our nuclear arsenal to make sure that those security assurances are effective is very important.

The same thing goes with regard to withdrawing U.S. nuclear weapons from foreign soil, in this case particularly NATO Europe. That is part of our essential security relationship with our NATO allies. I don't think that we should compromise on that in the context of hoped-for nonproliferation or, more particularly, arms control goals.

The Comprehensive Nuclear Test Ban Treaty--I believe very strongly that we have to modernize our nuclear force to make it effective in the current environment. We have a hold-over deterrent from the cold war. I think we need to look at making sure that force is safe, reliable, and effective, and I think

the comprehensive test ban treaty is a problem with that.

De-alerting nuclear weapons has the same problem.

The one that I object to the most is the idea that defensive systems like missile defense systems are effectively in the same category as weapon of mass destruction, as they were treated in an intertwined fashion in the Commission's report. They are fundamentally different, and I think we should treat them that way.

So I think that the subcommittee should look at the recommendations of the Commission with a discriminating eye.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Spring follows:]

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Mr. Shays. Thank you very much.

Mr. Granoff.

STATEMENT OF JONATHAN GRANOFF

Mr. Granoff. Thank you, Mr. Chairman.

First I want to extol not only your virtue of courage but your extraordinary endurance, and I would like to offer for the record two articles, one from the Chicago Sun Times and the other from the San Francisco Chronicle extolling the virtues of the WMD Commission, the Blix Commission, if I am permitting.

Mr. Shays. We will put that in the record. Thank you.

Mr. Granoff. Thank you.

Mr. Shays. And, just for the record, this is a very interesting hearing, so I could just tell you we are very grateful that you all had the patience. We get to participate and stay awake.

Mr. Granoff. Well, I was told in 1965, when I met Robert Kennedy here while I was working on the Hill, the reality of the Cuban missile crisis, and that on several moments civilization hung in the balance, and he told the group of interns, in rapt attention, as we were, that addressing this issue would determine not only the moral standard of our time but whether, in fact, humanity would survive. So since that time the issue has been in my gut, in my heart, and in my soul, and so I consider it an enormous honor to be able to address it here in these hallowed halls.

Mr. Shays. Thank you.

Mr. Granoff. The shock of coming to the brink stimulated

negotiations which culminated in the entry into force in 1970 of the Nuclear Non-Proliferation Treaty, which contains the structure to prevent proliferation in the present based on a pledge of nuclear disarmament in the future, but the pledge must have credibility and the nuclear weapon states, particularly the U.S. and Russia, with over 96 percent of these devices, have not fully come to grips with their fundamental dilemma. They want to keep their nuclear weapons indefinitely, and at the same time condemn others who would attempt to acquire them. This contradiction undercuts the treaty and enables our adversaries to challenge U.S. sincerity and ignore our recommendations.

Moreover, incoherence in policies leads to instability in cooperation, and nothing could be more hazardous today.

In order to prevent proliferation to more states and to dangerous sub-state actors, far greater cooperation is required. This will not be obtained if some states flaunt their disarmament obligations yet display a singular passion for nonproliferation.

The path to stability is an unambiguous reaffirmation of collective security through the rule of law, which in this instance requires a clear commitment to rendering the weapons, themselves, as unacceptable. This is both the correct and practical compass point.

Are we urging disarmament this year? Hardly. The U.S. sets the example. Lowering the political currency of nuclear weapons can make us all safer. We are urging steps that will enhance security, strengthen fulfillment of existing legal obligations, provide confidence through verification to the international community, and each recommendation must stand on its own merits. Each must decrease the risk of use, diminish access of terrorists to catastrophic weapons and materials to build them, and strengthen nonproliferation.

Here are five:

A Fissile Material Cutoff Treaty, and we commend the administration for putting it forward, but for it to be effective there must be verification. Verification, as President Reagan said correctly, trust but verify. And the Strategic Offensive Reduction Treaty, the SORT Treaty, which requires Russia and the United States each to deploy no more than 2,200 strategic warheads by 2012, includes no provision for verification. Start inspections end in 2009. It is imperative to establish a verification for the SORT Treaty to have international political meaning. Goodwill is not politically nor practically sufficient. We need laws with verification.

Reduction of the operational status of nuclear weapons--the United States and Russia still have thousands of warheads on a use them or lose them posture. It should be an absolute scandal that every moment of every day the two countries remain locked in a Cold-War-style nuclear standoff. It is time to end launch on warning. The U.S. and Russia should follow the admonition of Candidate George W. Bush, who clearly said, ``We should remove as many weapons as possible from high alert hair trigger status, another unnecessary vestige of cold war confrontation. Preparation for quick launch within minutes after warning of an attack was the rule during the era of superpower rivalry, but today, for two nations at peace to keep so many weapons on high alert may create unacceptable risks of accidental or unauthorized launch.''

Comprehensive Test Ban Treaty would prevent the

miniaturization of immature arsenals, it would restrain confinement of advanced arsenals, it would protect the environment, and it would create the infrastructure, the legal and practical infrastructure of cooperation around the world with U.S. leadership, if we would but support it. It was promised in the preamble of the NPT, it was pledged in order to gain the extension of 1995, and it was reaffirmed at the review of 2000. Moreover--and this might be the most important aspect of a Comprehensive Test Ban Treaty--it would send a clear message of the diminishing currency of the weapons. The United States has tested more than anyone else our arsenal is secure, safe, and reliable. So said the Joint Chiefs of Staff, and they were correct.

A diminishing role of nuclear weapons in security policies, as a minimum step, we must unambiguously establish negative security assurances. In order to gain extension of the treaty in 1995, countries without nuclear weapons were promised that if they would accede to the extension, that they would not be threatened with nuclear strikes. To ask a country to foreswear these devices and still suffer under the threat of nuclear attack is so patently inequitable as to lend credence to critiques of the regime, itself. The U.S. should support rather than oppose giving these assurances of non-use to nuclear weapon states parties to the NPT.

Moreover, during the cold war we justified the first use policy based on the superiority of the USSR's conventional force threat to western Europe. The threat is gone. It is time to adopt a no first use policy.

These are modest proposals that demonstrate a beginning to authentically reduce the political posture of the weapons. These actions are achievable, inexpensive, and they are available now. Reliance on ultimate weapon of mass destruction leads the world in exactly the wrong direction. Its logical outcome is an increasing militarization of the world rather than the needed movement toward law and cooperation, and its logical expression reaches burlesque proportions in the aspiration to unilaterally weaponize the firmaments rather than pursue a cooperative non-weaponized regime for outer space.

Is it a wonder that, while the rational leaders of the world's most powerful nations daily place on alert thousands of devices delivering immeasurable destructive capacity, cynicism prevails? Is such a hopeless future the best we can provide our children? Do we really believe that counter-proliferation exercised through ad hoc coalitions can be an adequate substitute for effective diplomacy? Why are we pursuing a regime based on principles of seasonal friendship rather than the uniformity and reliability of law? Have we forgotten that the weapons of today have triggering devices with the destructive capacity of Hiroshima? We need no longer live with this sword over our heads.

In India today there are Hindu fundamentalists speculating seriously whether these are the end days, and, like them, there are in the United States fundamentalist Christians who believe very much like their Islamicist brethren or Messianic Jews that we await the final battles which will bring an end to history, and all of them believe that this disaster is coming about from unseen hands. But, Mr. Chairman, Members of Congress, you and I know they are wrong. It is not unseen hands that is bringing about this destruction; it is hands of rational men in these very halls. I ask you to look at these hands, and I ask you to have the courage to prove these speculations wrong.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Granoff follows:]

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[GRAPHIC] [TIFF OMITTED] 35767.105

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Mr. Shays. Thank you, Mr. Granoff.

Mr. Sokolski. Thank you.

STATEMENT OF HENRY D. SOKOLSKI

Mr. Sokolski. Thank you, Mr. Chairman.

I am a little humbled. This is quite an assembly that you have put together of experts. It is an honor to be here, and I thank you for holding the hearing.

Mr. Shays. It is an honor to have you here. And it is an assembly of some very fine experts, so thank you for being part of it.

Mr. Sokolski. I want to talk about the topic that you assigned us, and I guess my message today is that your hearing is perhaps too timely. I say that because the nonproliferation provisions in the NPT have pretty much been watered down for a long time, and they have been overshadowed, I think, too much by many countries' backing of the most dangerous and uneconomical forms of nuclear energy. I think you heard some expressions of that enthusiasm, though muted, even today.

What is worse, since the early 1990's we and our allies have shied away from enforcing the NPT against the world's worst proliferators. Now, sadly, I don't think there is any technical or really any simple diplomatic substitute for these treaty-based systems, particularly the NPT. I think that is why I have spent so much time, both in my service on the Hill at the Defense Department and advising the CIA, and in running my own center, on commissioning research and looking into how to make the nonproliferation provisions of these rather weak institutional barriers, the NPT and the IAEA, much more effective.

We have commissioned at the center that I run, the Nonproliferation Policy Education Center, a good number of analyses over the last, I'd say, four or 5 years. Today what I would like to do is just give you four of the key findings of this research.

First, I think if we are to do better we really need to clarify what the NPT protects as being peaceful. A key reason why the nonproliferation provisions of the NPT have become more difficult to enforce is that most nations, including Iran, North Korea, and, I hate to say it, the U.S. Government, have adopted too generous a view of what the inalienable right to develop research and produce peaceful nuclear energy is under the NPT's article four. Simply because a nuclear activity or material might have some conceivable civilian application and a country is willing to let international inspectors come and monitor them occasionally I would submit is not enough to meet the criteria of what is peaceful under the NPT.

In addition, the nuclear activity or material must also be capable of being monitored in a manner that will prevent it from being used for bombs. This is laid out in article three. And their applications must be economical enough clearly to be beneficial. I think if you note when you read the treaty it says the purpose is to share the benefits of peaceful nuclear energy. I don't think it was meant to promote uneconomical activities that bring countries within days or weeks of having bombs. That is not the purpose of the treaty. It has become that, and that is a big problem.

Certainly building commercial nuclear fuel making plants which could bring nations to the brink of having bombs is hardly a per se right under the NPT. Actually, if it is possible I would like to submit some testimony that I gave on this very issue which basically relies on the research of other experts and legal authorities and historians going into what the per se rights are under the NPT, with your permission. Indeed, such a reading of the NPT would make the treaty one that promotes the spread of nuclear weapons making capabilities, which is the exact opposite of its intent.

Second, the IAEA should concede what it can't safeguard and seek more funds to safeguard what it can. The ability of the

IAEA to account for nuclear materials that are needed to make nuclear weapons is hampered not only by a lack of candor regarding what the Agency's inability to safeguard nuclear fuel-making activities is, but also its persistent tendency to rationalize away new safeguards and physical security challenges and to shy from raising the funds needed to meet these new challenges.

You had a series of questions during the hearing that were quite interesting about whether or not the IAEA budget was growing or not. It is growing, but it is puny. To give you some idea, we spent about \$6 billion on the Transportation Security Agency to check your luggage and to make sure that you don't bring liquids on of a certain type. We have 100 percent false alarm rate for that particular activity. We take old women and children and we put them through the wringer. The IAEA is not permitted, by its own charter, to have a false alarm rate higher than 5 percent. Its budget right now--and this is in the notes. We standardized it to 2004 dollars--is roughly about \$100-some-odd million.

Now, I heard testimony that said that while \$30 million, or even more, had been added, but that there was a lot of resistance because the tax burden on us or on other countries. I don't know. That doesn't sound right to me. The \$30 million just isn't that much.

For the last 20 years the Agency safeguards budget has been little more than doubled in constant dollars. During that same period, however, civilian stockpiles of separated plutonium and highly enriched uranium, which the Agency is obligated to safeguard because they are directly usable for nuclear weapons, have increased six times over. This does not include the material that is not safeguarded, which is not six times over but twenty times over. The actual amount of civilian nuclear weapons usable material that goes unaccounted for each year, meanwhile, has been increasing steadily as the number and output of nuclear fuel-making facilities grows internationally.

If we are serious about safeguarding against the spread of nuclear weapons and preventing nuclear theft or terrorism, these trends have to change. The IAEA may be able to monitor as they look at fuel-making activities, but it cannot inspect these facilities to provide timely warning of diversions or thefts, which are equivalent to many, many nuclear weapons worth each year. It should admit this publicly. I think Mr. Elbarday is to be commended for coming as close as he has to admitting it.

Mr. Shays. I want you to be very specific. They should admit what publicly?

Mr. Sokolski. That they cannot inspect nuclear fuel-making facilities to provide sufficient warning of a possible diversion to intervene and prevent it. In other words, by the time they find out that several bombs worth has gone missing, it can sometimes be years after the diversion could have occurred where the material was missing.

By the way, this gets to one of the problems the administration and Congress should have about a fissile material cutoff. Those nuclear fuel-making facilities that would be examined by a Fissile Material Cutoff Treaty, it would be wonderful if you could verify them, yet right now you can't. The administration isn't entirely candid about this because it only says you could hide the whole facility.

The truth is, if you knew where the facilities were, you would not be able to know in any given year how much it

produced, and the difference of what you knew and what the truth was could be equal, depending on the facilities, literally to scores of weapons worth in the case of one of the large facilities just brought online in Japan. So it is kind of like keeping track of the funds in Enron. If you don't know what they are making, you don't know what they are stealing. And that is where we are. People need to come out and admit that, and they are not.

Third, governments must put security first. By the way, I do make recommendations for increasing the IAEA's budget, and they should get more money based on user fees, to be blunt. Right now Italy has no reactors. It pays more into safeguards than South Korea, who has 18 reactors. There is something perverse about that. You have to change that. And there are a number of things where the IAEA has identified where they can do better. They know how to do it; they just lack money. So you have to make the distinctions. You have to give them the money where they need it and encourage them to be candid where no amount of money is going to make much difference for the time being.

Third, governments must put security first instead of subsidizing uneconomical, dangerous nuclear energy projects. Concern for nuclear security has increasingly taken a back seat to states' encouragement of uneconomical nuclear energy projects that can bring countries right to the brink. Japan, which has already been rocked by revelations that its pilot plutonium-making plants had lost track of roughly 40 bombs worth of material over the years, just began operation of one of the world's largest reprocessing plants. This plant is certain to lose money, and experts project the IAEA will lose track of nearly 50 bombs worth of crude nuclear weapons worth of plutonium there annually.

Other equally problematic nuclear fuel-making operations are underway in Brazil, South Africa, India, Ukraine, and Argentina. One has to wonder why the IAEA has correctly established that there is no economic or technical requirement for additional fuel-making capacity over the next ten to twenty years, yet the U.S. is doing little to object to these efforts and arguably is encouraging them in order to get them to pursue becoming a nuclear fuel supplying state under its new initiative, the Global Nuclear Energy Partnership, which Mr. von Hippel has done a great deal of work on.

Here it would help to pace nuclear power's expansion and that of commercial nuclear fuel----

Mr. Shays. Let me do this. I think I need to interrupt you to make sure we get to the Professor.

Mr. Sokolski. Let me stop right here then.

Mr. Shays. OK. Thank you.

Mr. Sokolski. Sorry.

[The prepared statement of Mr. Sokolski follows:]

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Mr. Shays. Mr. von Hippel. Let me just tell you I am going to give you a choice here. I am coming back after my votes. I have kept you here all day, so I am not expecting that you would have to stay, but whoever stays, even if it is one of you, I will be back to have a dialog, because, frankly, I think you can help put these pieces together that the other two panels have introduced and so on.

What the bell meant was four votes, but, Professor von Hippel, we have time to have you make your statement.

Mr. von Hippel. OK. I will make it in 5 minutes.

Mr. Shays. You can go over a little bit. We will be fine.

STATEMENT OF FRANK VON HIPPEL

Mr. von Hippel. Thank you. Thank you for holding this hearing. I have organized my statement into why the NPT is important, why it is in trouble, and what the United States can do about it.

Mr. Shays. Great.

Mr. von Hippel. Why it is important, the NPT embodies an almost universally shared recognize that nuclear weapons are a threat to all mankind. It recognizes that the weapons, themselves, are the threat, no matter which country possesses them. It also represents a commitment to do something about this to prevent the spread of nuclear weapons to more countries and to reduce their numbers in the countries that have them ultimately to zero.

Under the NPT, the Atomic Energy Agency checks whether non-weapon states are complying with their commitments. We know as much as we do about Iran's nuclear activities, for example, only because Iran is a party to the NPT, which gives the IAEA the right to go and look.

Now, why is it in trouble? One reason is that the non-weapon states are increasingly reluctant to accept additional restrictions when the United States has dropped any pretense of making irreversible nuclear arms reductions. The non-weapon states won't pay attention to our priorities if we don't pay attention to theirs.

In June I saw how angry this dialog has become when I attended a conference in Oslo on minimization of highly enriched uranium in civilian nuclear applications, one of your concerns. The concern was that, as you have indicated, that highly enriched uranium can be used by terrorists to make improvised nuclear explosions, but South Africa's Ambassador to the IAEA at that conference declared that the NPT is not an a la carte menu from which states' parties may choose their preferences while ignoring other aspects, and he referred in particular to the lack of progress on the Fissile Material Cutoff Treaty, which is one of the 13 steps that the U.S. committed to at the NPT Review Conference in 2000.

The treaty, which is, in the words of the U.N. resolution, the agreement in 2000 called for immediate commencement of negotiations under an effectively verifiable treaty banning the production of fissile materials for nuclear weapons or other nuclear explosive devices.

It is 6 years later, and negotiations at the Conference of Disarmament have not begun because of what I consider a petty disagreement by the U.S. and China over the proposed agenda.

Now, with regard to what the United States can do, I would like to offer a list of four things that we could do to help restore legitimacy to the NPT and thereby to its usefulness as a tool against the dangers of nuclear proliferation and nuclear terrorism.

First, a Fissile Material Cutoff Treaty will only happen if the United States gives this priority. U.S. also has to support an internationally verified fissile cutoff, not oppose it, as we do today. We can't require that non-weapon states be open to IAEA inspection but refuse such inspections for ourselves. I agree with Mr. Sokolski that there is an uncertainty of a percent or so or up to a few percent in the measurements at facilities which handle highly enriched uranium and plutonium, but that is much better than nothing.

I recall the first President Bush's insistence that under the Chemical Weapons Convention international inspections should be possible any time, anywhere, without right of refusal. He did not say except for in the United States.

Now, the second thing is the Comprehensive Test Ban Treaty. It is almost always at the top of the list for non-weapon states. The U.S. Senate refused to ratify the CTBT in 1999. The global test moratorium has continued, however, and the directors of the U.S. nuclear weapons labs have continued to certify each year that the U.S. nuclear stockpile is safe and reliable and doesn't require testing. The National Academy of Sciences and the Department of Energy agree that this situation can be maintained indefinitely, although they may not agree on how best to do it.

Under these circumstances, it would be in the U.S. interest to ratify the CTBT and lock in other countries, as well. There will always be the escape clause that gives each state party to the treaty the right to withdraw from it if it decides that its supreme national interests are jeopardized.

Third, we should take the objective of nuclear disarmament seriously. Why does the U.S. keep thousands of nuclear warheads? Because Russia has thousands of nuclear warheads. And if it came to nuclear war, we would want to be able to destroy as many as possible of theirs before they could be used. Why not then agree to destroy as many as possible of these warheads now by agreement and eliminate the hair trigger situation which has been discussed?

Russia and the U.S. could get down to a thousand warheads each--that is a thousand total warheads, not just deployed warheads--before we would need to ask other countries to reduce. Today we each have enough material to make more than 10,000.

Fourth--and this brings me back to my colleagues' statement--continue the moratorium on spent fuel reprocessing. This is an issue that is being driven by Congress that has major implications for the future of nuclear proliferation. For 30 years the U.S. has been able to say to other countries we don't reprocess and you don't need to, either. In combination with the invisible hand of economics, that posture has been very effective.

The number of states having their reactor fuel reprocessed has declined dramatically in those 30 years. Congress now proposes to have federally financed reprocessing of spent power reactor fuel. The reason is the delay in the availability of Yucca Mountain. A reprocessing plant would be an alternative destination for spent fuel, but it would be a very expensive one. And such damage to U.S. nonproliferation policy is

completely unnecessary. Storing older spent fuel in dry casks at reactor sites or at centralized storage sites would cost one-tenth as much as reprocessing and would be much less hazardous than reprocessing.

Mr. Shays. Professor, I have about 4 minutes, which is still enough time, but if you could kind of close up.

Mr. von Hippel. I am down to my last half page.

Mr. Shays. Great.

Mr. von Hippel. Just on that point, though, the hazard from spent fuel in dry cask storage at reactor sites is a minuscule portion of the total hazard of that site. The major hazard is from the reactor core, the next down is the recently discharged spent fuel in the pools. The dry cask storage is negligible hazard.

So, in summary, the non-weapon states will not support the U.S. effort to further limit their rights under the NPT if the U.S. doesn't begin to live up to our own central NPT commitment to irreversibly end the arms race with the FMCT and the CTBT and get on with the task of nuclear disarmament.

I would also like to make one specific suggestion: that Congress require of the executive branch an annual report from the President summarizing relevant initiatives, progress, and obstacles to implementation of U.S. commitments under the NPT.

Finally, on how easy it is----

Mr. Shays. I have now two and a half minutes.

Mr. von Hippel. OK, but you really wanted to know the answer to this.

Mr. Shays. OK. Go for it.

Mr. von Hippel. How hard is it to make a nuclear weapon?

John Phillips----

Mr. Shays. Are you going to stay or do you need to leave, because I am coming back?

Mr. von Hippel. I have a 9 o'clock flight from Dulles.

Mr. Shays. Then you are fine. You can stay.

[The prepared statement of Mr. von Hippel follows:]

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Mr. Shays. Let me do this. My staff can tell you where you can get a sandwich.

You have to stay, because I want to know how you do it.

Ambassador Graham. Yes.

Mr. Shays. I just want to say that I would welcome all of you staying, but to force you to stay would be house arrest and I am not going to do that, but I think I have another 25 minutes before I am back here, and I will be back here. I think Mr. Granoff will be back here, so I am definitely back here.

Thank you.

We are recessed.

[Recess.]

Mr. Shays. I call this hearing to order.

What I would like, I will let you, Professor, tell me, and, Ambassador, I would like to have you tell me what I would like to hear from there, but in regards to the issue. This is the point I am trying to make: we have always known people could learn how to make a weapon, so to me the issue is not is there all the documentation if you are a bright student can you do it. The question is what I learned that I need to be disavowed of if it is not true is that basically to make a low-yield weapon using enriched uranium you don't need a lot of specialized parts, and you could, if you could get the weapons grade material, create a nuclear explosion.

Professor, I will have you start out on it.

Mr. von Hippel. You are absolutely right. In fact, it is so easy to make a nuclear explosion--and it is not necessarily low yield. We are talking about Hiroshima scale--with highly enriched uranium metal, that the Department of Energy worries about improvised nuclear devices. That is, they worry about terrorists getting into a bunker which has highly enriched uranium metal in it and actually improvising an explosion on the spot before they can be stopped by the guard force. That is pretty easy.

Now, when you were talking about the Princeton undergraduate, John Aristotle Phillips, he wasn't a student of mine, but he did this as a project for a course of a colleague of mine, and it is considered so easy even by undergraduates to do a highly enriched uranium bomb that they always go for plutonium. They want to show that they are smart enough to do a plutonium bomb, which is an implosion bomb. In fact, the Hiroshima bomb was not designed at Los Alamos, it was designed by an assistant professor and a couple of graduate students in Berkeley the summer before. The whole Los Alamos head scratching and hair tearing was devoted to the plutonium bomb. But a plutonium bomb is not necessarily out of reach of terrorists, either. It is more difficult.

Mr. Shays. Let me ask you, with that, though, do you need material that would be harder to get a hold of? Is the material an issue there?

Mr. von Hippel. No. Well, the plutonium is.

Mr. Shays. I don't mean the plutonium.

Mr. von Hippel. No. In fact, Phillips went to call up DuPont, what kind of explosives to I use, and they were happy to tell him what kind of explosive to use. He went to the National Technology Information Service and asked for the Los Alamos Primer, which was the lectures that were given at Los Alamos to the incoming people by this Berkeley assistant professor, and when they came out with the primer, which has now since then been published by the University of Chicago--no, by Berkeley University Press, California University Press. They said usually when people ask for this they ask for these, too, with a stack of documents. So, in fact, it was referred to in the testimony before that this was given as a project. By the way, Phillips didn't do it right, despite his claims. He actually made a mistake in the design. This is beyond the ordinary undergraduate, but it has been done by graduate students correctly.

Mr. Shays. OK. Gotcha.

Mr. von Hippel. For the plutonium weapon.

Mr. Shays. Super.

Mr. von Hippel. I had a colleague, Ted Taylor, at Princeton for a number of years who was an ace Los Alamos weapons

designer in his previous incarnation, and he was the one who actually first raised the issue of nuclear terrorism in the 1970's, and he was concerned about the U.S. going to--at that time the U.S. was pushing toward a plutonium economy, and he was very concerned about having plutonium used as a commercial fuel by the millions of bombs worth, is what people were envisioning at that time. He was making the argument--and it was an argument. I mean, the community was not unanimous about this--that, in fact, terrorists could do it. It is more difficult, but you shouldn't ignore it.

Mr. Shays. Gotcha. Let me just go to you, Ambassador. You were going to tell me up front, and then I will get off of this issue, but I would like to just get it off the table here.

Ambassador Graham. Well, I just wanted to, Mr. Chairman, tell you about my experience in South Africa with the South African government.

Mr. Shays. Can you give us a timeframe of when you were there?

Ambassador Graham. Yes, I will. I headed the U.S. Government efforts to permanently extend the Nuclear Non-Proliferation Treaty in the 1993-1995 timeframe, and so I traveled all over the world looking for votes. It was a little bit like a political convention. And one of the places I went to was South Africa, because they were a very key vote. They were a swing vote. They had the possibility of bringing in a lot of non-aligned countries who were opposed to us to support our view that the NPT should be permanent.

So I went to South Africa and I was there for 2 days with a colleague and the first day I spent with the government in their offices, and then the second day they gave us a tour of their former nuclear weapon establishment, and they took us to a shut-down nuclear enrichment plant that they used to make the HEU, and then they took us over about ten miles away to Wallendaba, where they actually assembled the weapons, and they took us to the building where they assembled the weapons, and they showed us a large room. They said this is where we assembled the weapons. Look around you. Nothing has changed.

There was nothing in that room you couldn't find in a high school machine shop. They showed us the cases they had used to move the weapons around in. It was clear they would fit in the back of a panel truck. And then they gave us a short lecture on why they built the weapons, which I won't go into unless you insist. And then they explained how. And they said that we spent on this program \$150 million. I got that wrong. We spent on this program \$25 million and had 150 people working on it, including the janitor. Nobody knew what we were doing. That doesn't count, of course, the money we spent enriching the uranium to weapons grade, just the bomb assembly part--\$25 million, 150 people. We built six bombs of 20 kilotons. We didn't need to test them because we used the gun barrel design. You are the first Americans to see this other than those two on the International Atomic Energy inspection team. We are telling you this for a reason, and the reason is that once the fissile material is acquired--we made our own over in Wallendaba 20 miles away, but if the fissile material can be acquired, the rest is really easy, really easy. Any government can do it.

Mr. Shays. The rest is really easy?

Ambassador Graham. Really, the rest is really easy. Virtually any government could do it and many sub-national groups like terrorist organizations could do it, in their view. You don't need an infrastructure. You just need a few skilled

scientists and engineers and the fissile material.

So that goes just to reinforce what everyone else has said, but here is a country that had direct experience doing it.

Mr. Shays. Mr. Sokolski, comment?

Mr. Sokolski. I think that is the reason why the IAEA could be a heck of a lot more important than it is, because it has the job of keeping a count of the weapons usable materials that are produced literally in the open. I think it is important to keep in mind that in the case of highly enriched uranium some scientists like to joke and say, well, you need a tall ladder and a tube to assemble. I mean, I don't think it is that easy, but you are not talking about very much.

In the case of plutonium, I don't think we should look at this as one is more difficult so they will do the easier, No. 1. No. 2, so we would be OK if a terrorist got some plutonium? I don't think so. In other words, what that allows a group to do, once it has possession, is raise literally kilotons of uncertainty as to what they will be able to do, just like Iraq. You will not know. So once they give plausible reason for you to believe they stole it, you are in a world of worry.

I think, in addition, you need to understand again something which there has been not very much candor about in the official world. When I worked in the Government I had the same problem. I worked in the Defense Department. People do not want to admit that they cannot keep track of this material, even in civilian facilities that are declared and monitored by the IAEA, never mind the ones that might be hidden away. They can do only such a rough job that, in the case of a commercial-sized facility that enriches and reprocesses, you will literally they say lost in the pipes or in solution many bombs worth per year.

Now, if you focus on that point it changes the way you look at the whole problem of what to do. If you believe you can monitor and safeguard--and safeguard means not just look at, but get warning of a diversion early enough to prevent it from being completed by getting folks to land with Black Hawk helicopters or whatever they do. Depending on how you see that, it changes everything as to what you do.

Mr. Shays. First I am going to just say I tend to learn the most about the terrorist threat from folks who used to work in the Government who now have a little more freedom to talk about issues when they work for a non-government organization, have their own institutions, and so on, so I really appreciate the fact that you all stayed and I thank you very much.

Mr. Spring, were you going to make a comment?

Mr. Spring. I was going to make exactly the same point that Mr. Sokolski just made; that is, that I would be a little bit reluctant to try, on the basis of probability, and say OK, we are going to focus on the terrorist threat in highly enriched uranium at the margin compared to what might be the risk associated with plutonium because of the relative ease of assembly. I think that these guys are too unpredictable to say, OK, we can sort of net down and focus more on the HEU source than on the plutonium source. I think you could arrive at some poor policy decisions if you take that too far.

Mr. Shays. Let me do this. Professor, is there anything you want to say before we get you on your plane?

Mr. von Hippel. No. I thank you.

Mr. Shays. I think we will get you on your plane, and I thank you so much for coming. I very much appreciate it. Nick is a very good man at getting taxis. Follow that man. And let's

have this on the record: my staff director is helping him get the taxi.

Do you need to leave, Ambassador? Thank you very much. Any last comment that you would like to make for the record?

Ambassador Graham. I can't think of anything additional that I would want to submit for the record at this point. I enjoyed the hearing very much. I thought the questions were really excellent. The answers were good, too, but the questions set the tone of the hearing. I think a lot of issues that are not discussed nearly as much as they should be got discussed today. I hope that the transcript can be drawn together in some way that can be made available to students and scholars and Government people.

Mr. Shays. Let me just say this to you. If I am back in this place--and I hope to be--whether I am in the majority or Mr. Kucinich, we both agree that we need to be bringing this up to a different level, and you are going to see next year, whomever, but we are going to pursue this big time, because it is a huge issue and it is not getting the attention it deserves.

Ambassador Graham. These are very big issues and Congress rarely has the opportunity to address them in a detailed way as has happened today.

Mr. Shays. Thank you very much, and travel safely.

Ambassador Graham. My pleasure. Thank you.

Mr. Shays. Thank you.

With the three of you that are still here, let me ask you is there anything that was brought up in the first panel, Mr. Blix, or the second panel with our Government officials that you would want to emphasize or critique in a way that says you disagreed with the things that were said? Are there agency points that you want to make? Mr. Spring?

Mr. Spring. I think that Deputy Assistant Secretary Semmel addressed this in his opening statement a little bit, but I would like to reinforce it, and that is that the impression can be left that the United States and, by extension, the other four declared nuclear weapons states under the NPT, are somehow at odds with or not complying with or in violation of article six. I just don't believe that. And the Blix Commission talked about the disarmament process being in disarray. I don't believe that it is in disarray.

The Blix Commission talked about an insufficient commitment to arms control on the part of the United States and talked about there being this commitment during the cold war, but the numbers of nuclear weapons were going up during the cold war and they are coming down now, and they are on their way to between 1,700 and 2,200 at the strategic level. The U.S. has gone even greater strides below that in the tactical area.

I find it hard to equate the idea that we were somehow OK during the cold war when the arsenals were going up but now we are somehow sort of ignoring these obligations under article six when they are coming down.

So I think the United States has quite a bit to be proud of in what it has done in the arms control field. There is a tangential relationship between strategic arms control between the United States and Russia today and nonproliferation policy, but I think that generally that is a positive relationship, in my view, so that I think that I would be a little bit reluctant to denigrate too much the position the United States has taken in that field.

Mr. Shays. Thank you.

Mr. Granoff, do you disagree or agree but you want to make another point?

Mr. Granoff. I disagree very vigorously that it is a little more sophisticated than that. Article six is part of the law of the land, as you know. Article six, clause two of the Constitution makes treaties the supreme law of the land, and article six of the NPT requires good faith efforts to obtain nuclear disarmament.

All of the parties to the treaty agreed, in order to gain the indefinite extension of the treaty, to principles and objectives in 1995, and included in those principles and objectives was an unequivocal commitment to the ultimate elimination of nuclear weapons, and the parties to the treaty and the negotiations forced the United States and the other nuclear weapons states to agree to 5-year review conferences at which the commitment to nuclear disarmament and the steps in that direction would be reviewed.

In 2000 there was a very productive conference and 13 practical steps were agreed upon by all parties to the treaty as a way of fulfilling the article six commitment. Now, those commitments in the year 2000 were political commitments, no doubt, and it would be bootstrapping a political commitment improperly into a legal commitment under our Constitution to say that because we made political commitments as part of a treaty they are the law of the land.

But in 2005 at the next review conference the position of our Government was that our commitments made in 2000 to fulfill article six would not be reviewed.

Now, that alone does not constitute bad faith or noncompliance, but the failure to put forward another route of fulfilling article six I believe puts us in a legally precarious position.

Mr. Shays. Us or everyone? The question was put to us or the other four, as well?

Mr. Granoff. I would say the other four would be part of it, but the other four were not as irresponsible in overtly creating unnecessary roadblocks to creating an agenda in 2005. What happened was the conference never got a working agenda. The other countries that I would say are worth pointing out would be Egypt and Iran, who also I would say were not operating to create an operating agenda. So at the 2005 review no statement could be made, nor could there be an adequate review of the kind of threat-reducing steps that were needed, steps like making it difficult for a country to use their article four privileges and drop out of the treaty. There were proposals, for example, of friends of the United States that said if a country drops out of the treaty they lose the facilities that they developed under article four. That to me would be clearly an effective and useful nonproliferation aspect. Never got discussed. Creating a secretariat for the NPT so they could have a corporate memory never got discussed. Creating some way of having some body at which complaints of noncompliance could formally be brought and evaluated, never discussed.

Essentially, the review conference was unable to review past conduct, and the U.S. kept focusing on only the nonproliferation side of the equation without putting forward an alternative route. I think it is our obligation to do that.

I feel more comfortable criticizing my own country where dissent is part of our system than criticizing others.

Mr. Shays. I hear you, but the bottom line is all five need

to be taking action. The burden is on all five, correct?

Mr. Granoff. The burden is on all parties to the treaty, but the biggest burden I would say is on the P-5.

Mr. Shays. I would like you, Mr. Sokolski, to respond, but then I would like to ask all of you, I am not hearing clearly the comment, I am not interpreting clearly the comment that parties that aren't part of the nuclear family have a right to expect to do more, and because they are not seeing us do more they are going in the opposite direction. I don't know what the opposite direction means. In other words, that they are doing something. I am not quite sure what we are seeing them doing.

Mr. Sokolski, you were going to make a point earlier?

Mr. Sokolski. Yes. I want to make sure I understand the point you just made.

Mr. Shays. Why don't you answer your question first.

Mr. Sokolski. OK. My reading of the history--and I have written a history that has been published of the proliferation treaty effort--doesn't quite correspond to this. It is different.

Mr. Shays. To what? Mr. Granoff's comments?

Mr. Sokolski. Yes, and even a little bit to my colleague at The Heritage. I think there is actually a very fundamental problem in reading this document, the NPT. You can read it through the lens of article six, which says we would like good faith efforts for those that declare they have nuclear weapons to disarm, or you can look at this understanding through the lens of article four, which says--actually, there are three lenses, article four, which says everyone has a right to develop nuclear energy in a peaceful fashion, and then there is the first two articles, which says them that's got don't give and them that's not got don't try to get. Depending on which lens you pick, you end up emphasizing very different things. What we have heard is, well, you shouldn't emphasize the article six. You should.

I think you are going to have to think about three things at the same time, unfortunately. I think the emphasis needs to be placed on making sense of article four. The reason why, it is the least discussed. Everyone has talked to death about how America needs to give up more nuclear weapons, and then occasionally they say China, which is actually making more. Then you hear some discussion that really you shouldn't try to get. But you don't have a discussion of what peaceful nuclear energy is.

A reason I think that is important is the United States, this Congress, is funding something called the Global Nuclear Energy Partnership, which threatens to be roughly a bad version of Atoms for Peace, which Eisenhower promoted, on steroids, where you are really going to encourage people to get into fuel making.

Well, none of the people on the administration witness lineup focused on the problems that the IAEA has and what it can and can't do. Regrettable, Mr. Aloise didn't speak enough to that except for the staffing point because it is hard. You only have so much time. I don't know how much this committee should get into it, but somebody in this Government better, on a routine basis, build on what GAO has done--maybe it is the CIA--and do annual reports on what it is that the IAEA can keep track of and what it can't, because that goes to the heart not only of article four but indirectly, I would argue, article six.

There is no way the United States and the nuclear weapons

powers are going to disarm if other people are hedging their bets and getting right up to the edge of getting bombs.

Mr. Shays. It is pretty alarming, though, to think that we can't keep track.

Mr. Sokolski. I keep emphasizing because you are right, it is pretty alarming.

Mr. Shays. Yes.

Mr. Sokolski. There ought to be a law. You ought to be concerned. You ought to be having hearings. I am telling you it is like talking about something that is politically incorrect.

Mr. Shays. If the United States had signed the Kyoto Treaty, would it be possible for us to move forward without extensive nuclear power?

Mr. Sokolski. I think the short answer is you would have to because----

Mr. Shays. You'd have to have----

Mr. Sokolski. You would have to move forward substantially without much nuclear power because most of the pollution is going to continue to be made by things that are non-nuclear. You are not going to be able to substitute everything with nuclear.

Mr. Shays. Well, I am not sure I understood your answer.

Mr. Sokolski. The point is that the nuclear industry would like you to believe that the answer to all problems in transport, relying on oil, coal pollution caused by making aluminum and fertilizer and everything else can all be taken care of by putting nuclear reactors everywhere. That is a great thought, it is just practically impossible to do.

Mr. Shays. OK. But for a variety of reasons we can't deal with the waste and, and, and.

Mr. Sokolski. They can't build them quick enough.

Mr. Shays. OK.

Mr. Sokolski. And they can't be applied to everything that way because just the economics aren't there.

Mr. Shays. But still there is no avoiding the fact that Europe is attempting to deal with this issue through nuclear power, correct?

Mr. Sokolski. No. That is incorrect. What they are doing mostly is trying to give incentives for people to figure out how to reduce emissions, and there are many ways to reduce emissions, as the British government has laid out, besides nuclear. All of the British government, for example, is suggesting it should do is maintain the nuclear power plants it has. It is not suggesting a big ramp-up.

Mr. Shays. OK. Let me ask you, Mr. Spring, do you have a position on the issue of nuclear electric generating power? I mean, do you believe it has----

Mr. Spring. Let me qualify my remarks in that I am not an energy specialist.

Mr. Shays. OK.

Mr. Spring. We have a separate analyst at Heritage that looks at that. I would say this: I certainly share Mr. Sokolski's concerns about article four and what we do in that and the proliferation risk associated with the generation of nuclear power, which is expressed as a right in article four.

Mr. Shays. Right.

Mr. Spring. And as a free market economist----

Mr. Shays. Right.

Mr. Spring [continuing]. Which Heritage Foundation generally is----

Mr. Shays. Generally? It is synonymous with.

Mr. Spring. If you are subsidizing this stuff, then maybe you are not making rational economic choices, and the nuclear industry is pretty heavily subsidized in a lot of ways, including for export. And so if you were to ask me can we cut that stuff out, I would say yes.

And so let's say, for example, with the state du jour on nuclear cooperation, which is India, sure, you can have this agreement that we would cooperate on nuclear stuff, but let's look at it. Has India made a rational economic case that nuclear energy is the best option for them? Have we made a rational economic case that subsidizing nuclear exports to Iran, presumably under this agreement, makes sense for either energy production regions or for not incurring nonproliferation problems? I think that my answer is we can have the agreement but I am not sure that it would make sense to exercise it in the full panoply of what it would allow.

Mr. Shays. Well, let me use this to segue, since you mentioned Iran. You heard the responses in the other two panels about Iran. I would like each of you to give me your take on what Iran is doing, No. 1, and, No. 2, what we should be doing based on what they are attempting to do.

I will start with you, Mr. Granoff.

Mr. Granoff. I think Iran is hedging. I think Iran is untrustworthy. I think we can learn some lessons from Iran. Iran's spoofing and noncompliance with the inspection regime should teach us that there should be a line drawn in the sand prospectively that says if a country doesn't fully cooperate with inspections it from then on loses its article four privileges. You can't apply that retroactively. We haven't shown that their program was designed for weapons purposes, but there should be a rule that this sort of conduct is simply intolerable going into the future.

Where are we now? It would seem to me that you cannot negotiate a solution if on Monday you threaten with regime change and then on Tuesday you ask somebody to cooperate and foreclose a potential military option in the future, and then on Wednesday say we are going to have regime change again. It is simply incoherent. So I think we need to have a coherence that states very clearly: do we recognize the sovereignty of this country? Have they so violated the fundamental human rights of their citizens that they have violated their right to function as a sovereign? I don't think that they have. I don't like the system of government there. I find it abhorrent. I find their human rights standards to be unacceptable. I think they have misinterpreted the message of compassion and unity that the holy prophet preached. I don't think they understand the value of pluralism. I don't think they understand the values of the modern age. I think that they are a very hazardous country. But I also look at the demographics, which are that there are a lot of young people there. So I think the extent to which we can dialog and engage, time is on our side.

In terms of nuclear, Iran shows us that to prevent the next Iran--I view it as sort of a sparks out a volcano or a canary in a mine shaft. As long as nuclear weapons are a currency of power, countries are going to want to get them. So what do we need to do? We need to have a sufficiently intrusive inspection and verification regime that will give us sufficient confidence that countries cannot use article four to break out.

The atomic audit of the Brookings Institute said that we have spent approximately \$5.7 trillion on this venture without real public debate.

Mr. Shays. What venture?

Mr. Granoff. The venture of building nuclear arsenals in our country, alone. That doesn't even go to the whole world. That is \$5.7 trillion. Steven Schwartz, who led that, informs me that we are spending in excess of \$105 million a day now on the venture of keeping the arsenal ready and the entire enterprise.

The IAEA has never spent in excess of \$105 million in a year for inspections. change the equation: robust inspections, but do not try and shame Iran. It is a country that has a martyrdom mythos and they will die before their honor will be compromised.

Mr. Shays. It is amazing for me to be in the Middle East and hear people talk about honor, even in the Sudan. I mean, when we were in North Darfur to hear a Governor talk about the pride of the Sudanese not tolerating any foreign troops, and there was no discussion or concern about the loss of literally hundreds of thousands of lives. It was pride. And he said it in such a way that he expected me to be totally in sympathy with him because I would connect. So it is just very interesting.

Mr. Spring, what is your answer to this question about Iran?

Mr. Spring. My answer to this is that I think the Iranians are, in fact, seeking a weapons capability, and I think they are playing the politics of energy at the Security Council to try and frustrate any efforts at enforcement that the nonproliferation regime lodges in the Security Council. In my judgment, that leads me back to the regional track. I think that the United States should be working very strongly with the other states in the region to make sure that Iran is politically isolated in that region to the greatest extent possible--countries like Pakistan and Turkey and Saudi Arabia and the other Gulf Cooperation Council states--and really work on that diplomacy to leave Iran as completely isolated as possible as the future that they face, and that their ambitions to lead some sort of great broader Islamic coalition in that region will come to naught if they continue down this path. I think that the regional element is a very important role to play.

Mr. Shays. The regional element is, but in my reading--and that is one area where I spend most of my time. I mean, when you talk to various country leaders, or in many cases I learn more by talking to their advisors, you know, some are already hedging their bets----

Mr. Spring. I know.

Mr. Shays [continuing]. That Iran is going to have it. Others don't have confidence that we have the staying power. They look at the debate here at home about Iraq and believe we will leave prematurely. I have no faith that our western allies will back us up, and so an embargo done just by the United States--so I know what you are trying to accomplish; I just don't see how we could get it done. I really don't see how we would get it done.

Mr. Spring. It is going to be very difficult, and that is why The Heritage Foundation has put so much effort into this nuclear gains exercise that my full testimony refers to that presumes a nuclear setting, presumes a proliferated setting with seven players to look at the dynamic of how these states would interact, not with the idea that nuclear proliferation is inevitable--I hope it is not--but actually to try and look at what happens in that kind of future to explain the implications

for all the regional players involved as to what is at stake for them, because my judgment is that, in playing this game with real human beings assuming the roles of state leadership, is that one of the cardinal sins that they commit across the board is to assume, not understand but just assume that nuclear weapons have massive political and military benefits. They over-estimate their value initially without question. It is just unbelievable.

Mr. Shays. Yes. And under-estimate cost.

Mr. Spring. And they under-estimate cost, indeed. And, of course, the United States and the Soviet Union went through that process in the early stages of the cold war, but I think we learned the lessons, fortunately, before there was a catastrophe.

Mr. Shays. Right.

Mr. Spring. But in a seven-player environment I would say that it is even worse.

Mr. Shays. And the seven-player environment, you are not including India or Pakistan? what is the seven-player environment?

Mr. Spring. Well, the seven players can be applied to any region. The first study that is on our website looked at it in a model, not exact duplicate, but a model of the East Asian with North Korea, China, Japan, Taiwan, the U.S., and Russia essentially being the players of unequal strength.

We have grafted the game in a Middle East version where the players are roughly equivalent to Israel, Iran, Turkey, Pakistan, Saudi Arabia, Russia, and the United States.

Mr. Shays. Mr. Sokolski, did you want to weigh in on this issue with Iran, and then I am going to ask the question. Maybe I can ask you to elaborate and just quickly come back to Mr. Granoff and Mr. Spring. What happens to Egypt and Saudi Arabia if Iran gets a nuclear weapon? So why don't you tell me how you think we should be dealing with Iran.

Mr. Sokolski. First, seven sounds pretty good to me. You are looking at a world that is going to have seven, seven, seven, and seven. Your model is 1914, trying to keep track of a lot of folks gaming the system, thinking that a quick war or whatever they have in the way of military capability will win if they get in trouble and that they can diplomatically figure things out. The problem with the spread of nuclear weapons capabilities is the stakes for failure exceed what we experienced in the First and Second World Wars, what we have to worry about.

I think that is the reason why he is doing the study and probably even telling his own people I love missile defense, but that isn't the entire answer. And for someone at Heritage to say that means you had better be listening, because that comes hard. Am I right?

Mr. Spring. You are right.

Mr. Sokolski. OK. I mean, here we are. You are on a panel with somebody I am thinking probably doesn't vote Republican all the time, right? I am talking about you. But they are agreeing on something. I think that should be noted.

Mr. Shays. Well, they are disagreeing in terms of how to deal with Iran, though.

Mr. Sokolski. Well, let's get on with that.

Mr. Shays. They want to deal with Iran, but they are going in two different directions.

Mr. Sokolski. Well, but let's get on with that.

Mr. Shays. Yes.

Mr. Sokolski. I think first I would endorse adopting the French suggestions, and the reason I do is those suggestions about how to tighten up the enforcement of the NPT came as a result of meetings that actually my center was involved in 4 years ago, and these people are listening and innovating, and when they are right we should back the French. I can get you more information on that. It is even cited in the testimony. But that is what you are referring to, the non-paper that was given at the NPT Review Conference. I see nods, so that is one.

Mr. Shays. OK. Speak to about what Egypt and Saudi Arabia does.

Mr. Sokolski. Trouble. Saudi Arabia has publicly said that it is studying whether or not to lease or buy nuclear weapons from China and Pakistan. Now, what billboard do you need to get the story that gee, that could be a problem.

Turkey has made it very clear that, well, you know, we have pipeline problems. And, by the way, they do. But oh, by the way, since they were involved in all those Pakistani Kahn problems, they are also folks who, when they look at the European Union, which they probably are never going to get into--I mean, think about that--may want to hedge their bets to get a little leverage.

Egypt, if you think that the Israeli Prime Minister is speaking straight when he says not a problem----

Mr. Shays. What's not a problem?

Mr. Sokolski. Egypt. Egypt has already announced that they want to get more nuclear energy. That is code for the bomb. It is clear as day.

Now, the people at this table and the panel one or panel two probably wouldn't say that, but if you talk to Egyptians about that speech--and I can get you people who read Arabic--they will tell you that speech a few days ago by the heir apparent, Mubarak's son, is a signal. We are not going to let Iran have the bomb option, alone. And the reason why is Iran clearly wants to do this much. Look at their missile program. Forget the nuclear weapons for a moment. Look at the range arks. Those are diplomatic shadows over the region, and they intend to keep you guessing as to what they can load up on those things. That is the reason why Europe is getting a little nervous, because pretty soon, believe it or not, they are going to be in range with the latest follow-on missile, the Shahab-4.

Mr. Shays. Well, you can fool me that they are getting concerned.

Mr. Sokolski. Oh, no. The French government paid to have me come out and talk with people in Defense Ministry about an entire----

Mr. Shays. That shows they are desperate, right?

Mr. Sokolski. No, no. Well, it does that, too. I will agree. But I had a sort of plan, if you will, for--you know, the Iranians play chess. I understand they invented it. I don't know much about it because I don't speak Farsi. We play checkers probably compared to them. What you have to figure in chess is you have to be able to think three moves minimum. If you don't think three moves, I understand you can't play the game. You are just a victim. We are thinking one move, practically. The moves you have to think about--and here are some things you could do. You asked what we should do.

Mr. Shays. Right.

Mr. Sokolski. First of all, in the international basket the IAEA has a right under the additional protocol to what is called wide-area surveillance. That means they can go lots of

places, put up sensors, send in inspectors. Guess what they haven't budgeted for? Standing up a force that could go into places like Iran with maybe 200 sensors. They will be crappy sensors. Don't get me wrong. This will not be a silver bullet. But there is nothing. They have not even done a bad job of standing up a wide-area surveillance capability. They need about \$10 to \$20 to \$30 million. Guess what? They can't raise it because, well, everyone would be upset if we raised the fees. A spotlight needs to be put on that. That is outrageous.

Mr. Shays. Is the implication--and I want to get to the other members--is the implication, in terms of raising dollars, that, while we are willing to put some more money in, there is very little concern on the part of the other member nations to contribute?

Mr. Sokolski. I don't think there is enough. I think the French government, I think the German government, for a lot of complicated reasons, and the British government are interested, and I would not under-rate what certain elements in those governments are willing to do, because when I talked with them they were interested about the very thing that I think someone here took offense to. Maybe we need to buildup our forces in the region to enforce the law of the sea, which even Iran subscribes to, so that, instead of them threatening to close the straits, which is the strategic center of gravity--it is that oil that we have to worry about--maybe we could ruin their surviving such an embargo and imposing it.

Now, that leads to a whole lot of other things you have to do. You have to make sure you can get the oil out of that region without going through the strait. The French and the GCC nations are focused on that like a laser beam. It means connecting certain pipes. It is not heroic.

Mr. Shays. Let me just get to North Korea. Did you want to say something briefly?

Mr. Granoff. Briefly. Resolution 687, which was the enabling resolution of the Security Council for the first Gulf War----

Mr. Shays. Right.

Mr. Granoff [continuing]. In section 14 called for creating a weapon of mass destruction free zone in the Middle East. Iran has been calling for that. Egypt has been calling for that. We have just simply been ignoring it.

Mr. Shays. What does that mean? That Israel has to basically----

Mr. Granoff. Well, obviously Israel is not going to join the party right away, but it would seem to me that it would be in our benefit to start a confidence-building series of conferences in the region amongst the parties because regional parties like Egypt don't want to see a total breakdown.

Mr. Shays. Does it impact the United States? In other words, I make assumptions that we don't have a nuclear weapon on our carriers or--well, maybe I shouldn't on our submarines.

Mr. Granoff. The effect on the United States to me would be to lower the saliency of nuclear weapons in the region would be very much in our interest, but Israel is a strategic partner and I don't think we want to really open up the can of worms of having a full-scale discussion about it. I think it is time. [Latin phrase.] I think it is time to put the truth out: Israel is not going to join----

Mr. Shays. So it is primarily an issue of dealing with Israel is what I was trying to----

Mr. Granoff. Exactly, and, of course, that is Egypt's sub-

text when they are saying they want to have a weapon of mass destruction free zone in the region, and Iran's. But the fact is that they also have interest, as you point out. Egypt is a Sunni country. Iran is a Shi'a country. They still live with the shadow of karbala over their heads. They haven't given that up. It is like Sherman's march. It happened yesterday for some people. I think we have to be sensitive to those dynamics. And so there are parties in the region, for their own interests within the Islamic world, who have an interest in making sure weapon of mass destruction don't proliferate, and I think we should take advantage of that because I think it is a good thing to stop it.

Mr. Sokolski. Don't they have an interest in making sure that they identify Israel as having nuclear weapons? You want to be careful to promote confidence-building measures. I mean, Blix had a better idea, which is no reprocessing, no enrichment. Once Israel admits it has nuclear weapons, all hell will break loose there. Particularly the Egyptians will feel like they have to get them if they even admit it.

Mr. Shays. OK. Let me just ask you about North Korea. Our panelists I think said North Korea is a bigger problem. What it raises for me, the concept that you can practically snap a finger and Japan could have a nuclear program. So what that has gotten me to think about is just the fact that Japan, what, has so much material close to being weapons grade, and that is because, what, their nuclear generation, or are there other----

Mr. Sokolski. We gave them a green light back in the 1980's. When I first came here and worked for Senator Gordon Humphrey--that is a long time ago--there was an agreement that we reached with Japan that let them strip out weapons-useful plutonium from spent fuel as a fuel spent fuel management technique. It wasn't economic. Still isn't. They have gone ahead and, as a result, they are piling up tons of weapons-usable plutonium, and they can't figure out what to do with all of it.

The Chinese looked at that, and the Chinese have a big stockpile of weapons-usable material, as well, and they are looking at one another, and that North Korean drama is a staged rehearsal for that bigger competition.

Mr. Shays. But that is why the United States gets criticized for acting unilaterally, and we want with North Korea to act multilaterally because we believe that Japan and China and Russia and South Korea have something at stake here. The irony is that we are getting criticized for it, which is amazing to me.

Mr. Sokolski. I think it is because people look at those six-party talks and they look at North Korea and they say this dog isn't going to hunt very much. I think there needs to be a flash of candor that everyone is sort of saying sub-text, which is ultimately you are going to have to wait North Korea out, much as you did with the Soviet Union. I mean, it is not going to be----

Mr. Shays. No, no. We are not going to wait them out if they are going to develop a weapons program and then Japan decides they have to.

Mr. Sokolski. That is where what you need to do is some of the things that the French are suggesting and isolate North Korea so it doesn't become an example for the others where it is either rewarded or we do nothing when it violates, No. 1.

No. 2, yes, hold Japan close. I am sure, you know, our friend from The Heritage has lots of suggestions on how to

enforce the alliance with Japan.

Second of all, take a page out of the suggestion made right here. I think you mentioned China. Perhaps it is time to lean on China to stop being so unclear about the size and growth of its nuclear arsenal. I mean, everyone else is much more transparent, even the Russians. Even the Russians are more transparent, which is saying a lot. We are not focusing on that topic.

Mr. Shays. Mr. Spring, what about North Korea?

Mr. Spring. I think that Mr. Sokolski set the table for me very nicely. I think that what is really key here on the part of the United States is those positive security assurances that we provide our friends and allies in the region. That is one of the things I think that will really convince the Japanese to continue with their current policy with regard to not obtaining nuclear weapons, because they have the capability to do it very, very quickly, but they don't have, at least in the body politic as I look at Japan, the appetite to do that. But they will seek and they are seeking reassurance.

I think, as a result of the situation with both China and North Korea, Japan has as close a security relationship with the United States as I can remember right now. So reinforcing the positive security relationship between the United States and Japan to foreclose a weapons incentive for them I think is a key element to addressing the problem.

We played this same nuclear game I am talking about with Japanese nationals just in August, and the Japanese national player who was playing the Japanese equivalent player opted immediately to dispense with the nuclear weapons that the game assumed that he had at the outset. In other words, he went back to being a non-nuclear state, and at the same time he moved very strongly in the relationship with the United States, and it worked.

He was able to avoid a direct nuclear conflict with either China or North Korea with the over-arching security relationship with the U.S., and it was based in part on the U.S. nuclear umbrella, it was based in part with regard to nuclear nonproliferation and arms control efforts that the U.S. was pursuing diplomatically--and we kept diplomatic records of what was going on--so that dynamic did play it out and Japan did not suffer for its decision that would presumably be irrational at one level, at least, that you look at it to say OK, even though all these other countries have nuclear weapons it is presumed in this game I am going to get rid of mine. I am just going to get rid of them.

Mr. Shays. Mr. Granoff?

Mr. Granoff. I had the privilege of being a guest of Kim Dae Jung and Mikhail Gorbachev in June, this past June, in Quan Ju, Korea, which was the birthplace of the democracy movement. They were celebrating the 20th anniversary of the democracy movement there, and they had a summit of Nobel Peace laureates. At those gatherings there were over 100 leaders from the industrial community of North Korea, the Minister of Unification of North Korea, and the Minister of Unification of South Korea, President of South Korea, and there was 2 weeks of deliberations specifically on these subjects.

I learned much more than I had expected. As you might know, Kim Dae Jung was the author of the Sunshine Policy reaching out to North Korea and pushing for unification. The South Koreans know that if there is going to be unification they have to ensure that there won't be the economic shock that took place

in East and West Germany. It would be even far greater. So there was a large number of businessmen there who were looking to invest in factories and trade with North Korea to try and normalize the economic disparity between the north and the south.

It was also clear to me that there would be no unification if there are nuclear weapons in the peninsula, because South Korea has a very high interest in maintaining the nonproliferation aspects of the NPT. They know that if they were to have unification with nuclear weapons that Japan would be forced to follow suit, etc.

So the kind of proposals that these learned people in the region informed me of--and I have shared this with the committee in my submission--talked about increasing trade. There is a railroad line that has already been laid.

Now, while this was going on, if you look at the chronology, while these talks were going on North Korea did those missile tests. So what I concluded from that is there is a divided house in North Korea. There are clearly elements there that want to maintain the status quo, a status quo in which the North Korean people suffer tremendously, and there are also people who realize that the conditions of their people are a remnant of the cold war that they need to overcome. I think we should help those people reach out and increase trade, increase normalization, and isolate their military neanderthals.

Mr. Shays. I would like to bring this to a close, but let me just ask you, so when I look at Iran, they could have a nuclear program, but when I look at Japan, they could have a nuclear program. It is quite different. You know, it is quite a different motivation and direction. Is there any other country in the world like Japan that is accumulating massive amounts of potential weapons grade material?

Mr. Sokolski. Sure. You have reprocessing going on in weapons states, so that is good news.

Mr. Shays. OK.

Mr. Sokolski. You have the Netherlands, Germany doing enrichment, which means if they leave the switch on on the machine it could go up to weapons level. There are a number of countries that are making enrichment facilities--Argentina, Brazil, South Africa, Ukraine--who want to be considered nuclear fuel supplying nations under our program, the Global Nuclear Energy Partnership. Canada, Australia have voiced interest in making sure they get on the right side. So I think you have 15 years. If you----

Mr. Shays. In a sense, isn't that just as concerning in a sense, if not----

Mr. Sokolski. I have been trying to say all throughout my testimony nuclear fuel making is nuclear ready. Nuclear ready is as much of an uncertainty generator as the bomb itself. If you wink or encourage this or don't think through the security risks, you buy the farm. You are absolutely culpable if you let this continue. We did it for the last 40 years. We winked at Japan. We winked at the Netherlands. We winked at Germany, Brazil, South Africa. Now the bill is starting to come due because people are saying, well, why not us.

Mr. Shays. OK. I think you may have started to answer the question I asked in a very confused way when we were talking about other countries looking at the United States and not taking the NPT seriously. They are seeing a number of particularly western European countries, some of the more

developed South American countries--I was thinking at least South America is a nuclear free zone, but what you are telling me is----

Mr. Sokolski. No, sir. I know too much. I worked in the Pentagon dismantling program secretly with the Argentinian government because they did not know what was going on with the rocket program, and with Brazil it was basically having their military dig a hole for a test. So it is all good and well to hope that no one that renounces will ever change their mind again, but we are all human.

Mr. Shays. Let me do this. This has been a great hearing. It sure makes me want to be back here. Why don't I just ask is there anything we should have put on the record we didn't, and is there anything that you want to emphasize to make sure we get it? I will start with you, Mr. Sokolski.

Mr. Sokolski. I guess since I talked so much and I went over I am only going to make one request.

Mr. Shays. What is that?

Mr. Sokolski. We are having a meeting co-sponsored by the French government. One of your staff wants to come. I hope he can come.

Mr. Shays. And where is that meeting?

Mr. Sokolski. In Paris. And we are actually getting a Congressman to come.

Mr. Shays. When is that going to be?

Mr. Sokolski. The 13th. That is the problem.

Mr. Shays. The 13th of?

Mr. Sokolski. November.

Mr. Shays. Well, we will see you get a staff there.

Mr. Sokolski. All right. Now, I get a percentage of his pay don't I? [Laughter.]

Mr. Shays. No. Well, you know what, I am sure it will be an excellent conference.

Mr. Granoff.

Mr. Granoff. I will be leaving here and going to Ottawa tomorrow for a gathering of 25 middle-power countries.

Mr. Shays. I thought you were going to ask me if you could be one of my staff so you could go to Paris.

Mr. Granoff. I would be honored.

Mr. Shays. You are not thinking.

Mr. Granoff. I would be honored. There will be 25 middle-powered countries, countries with good human rights records, countries friendly to the United States, countries that have renounced nuclear weapons, and countries that want to see progress on article six. In fact, it is called The Article Six Forum. It is convened by the middle powers initiative. That is where Dr. von Hippel was flying off and Dr. Blix, as well.

Mr. Shays. Where is that going to be?

Mr. Granoff. Ottawa. Foreign Minister MacKay will be giving an address on Thursday morning. The focus will be exactly what we are talking about. So this is a matter in which our friends are calling for progress.

My deepest concern is that during the cold war there was some kind of qualified morality to the posture to the weapons. The logic was we have the weapons to ensure they won't be used. But there have been statements that have come out in recent years from our administration that indicates a backing away from that moral condemnation of the weapons and seems to indicate that it is not so much the weapons that are at issue but making sure the weapons are only in the hands of our friends.

Now, this moves from the standard of the unacceptability of these horrific devices and from the power of law to the raw law of power, and countries that are friendly with us 1 day may not be friendly the next day. This is not the way to set a global norm, sort of taking the National Rifle Association philosophy at large: it is not the weapons, it is the people.

But with nuclear weapons I think it is the weapons. I think that they are intrinsically incapable of distinguishing between civilians and combatants. I think that they are of a different caliber because of their effect on future generations. I think that we need to start thinking of nuclear weapons as something like the way we look at biological weapons, like the plague. It is not a benefit in anybody's hands.

But by no means can we just get rid of them overnight. We have to build an edifice of peace and cooperation and security in the same way as we have built this edifice of destruction.

I think that if we would say what are the criteria for building that edifice, do the steps enhance security, do they enhance law, do they stand on their own merits, and if they do and they follow on that compass point of disarmament--it is a compass point, not something we can reach overnight, but if it follows on that compass point I think we have to say that is in our interest. If we don't, we are going to be breeding incoherence.

The Middle East, now that we have legitimized Pakistan's weapons, why would there not be a Middle East Treaty Organization like NATO with nuclear sharing? What is our argument against that? It is dangerous? It is de-stabilizing? Well, I mean, we have it in NATO.

So I say let's get back to the principles of law that our country stands for and the principles of morality that our country stands for. That is in our security interest and that is the right thing to do.

Mr. Shays. Thank you very much.

Mr. Spring?

Mr. Spring. Just two quick sort of practical things that I think that everybody in Congress has reached. One is that during the cold war there was a rather sharp divide between people who were regional specialists on the one hand, for example, in the State Department's Regional Bureau, to just take one department at a time here, versus the functional people that worked on arms control and nonproliferation matters.

I think that there is a natural coming together with that, but I think it is something that Congress could probably help accelerate, and that is putting together real teams of functional and regional specialists to hash these issues out, because they have to be done in tandem, I think, now that the division that we had during the cold war between regional and functional isn't going to be as workable. It is not a huge step. It is a matter of really encouraging, you know, different ways of looking at how to handle issues within the bureaucratic wire diagrams, if you will, and I think that would be useful.

The other is that what I see is going to be the next sort of ideological battle on this entire arms control nonproliferation front, which is one that Representative Kucinich raised, which I think is really a ruse, which is the weaponization of space issue. I think it is really artificial. I don't think it really comes to the heart of the concerns the United States should have for security. I think that the nuclear proliferation issue is much more important. I think

almost as important are the other issues related to the proliferation of weapon of mass destruction.

Mr. Shays. Let me be clear though. Are you advocating that there be nuclear weapons in space?

Mr. Spring. No, not nuclear weapons. The weaponization of space thing is going to be really driven about missile defenses.

Mr. Shays. OK.

Mr. Spring. And also the survivability of U.S. military systems to support tactical operations from space.

Mr. Shays. Is this in the end just to make sure--I wanted to make you smile, not look so serious. So you are just putting in a word that, while you think it is far more serious to deal with nonproliferation issues, you are saying that a defensive system is not something we should just dismiss.

Mr. Spring. Exactly. That is exactly right. And it has to be really in space, in my judgment, because that is where the missiles fly.

Mr. Shays. OK.

Mr. Spring. The missiles fly in space.

Mr. Shays. OK.

Mr. Spring. And so we are talking about non-nuclear defensive systems that we would have in space, and also the same technologies go into making survivable our overall satellite networks that support very important tactical military operations all over the world.

Mr. Shays. OK. Let me just say that Mr. Granoff disagrees, but I am not going to give him the opportunity to speak because I want to close this hearing up, but you do have the last word.

Gentlemen, all three of you have been delightful, tremendously informative. I think my job is to listen, to learn, to help, and to lead, and I think you are helping me be a better leader and ultimately the Congress by your contribution to this afternoon and tonight, and I thank you all very, very much.

With that I also thank the transcriber for stepping in and reminding me once again not to forget to swear in our witnesses.

With that, we will adjourn this hearing. Thank you all very much.

[Whereupon, at 7:37 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

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