U.S. REPRESENTATIVE CHRISTOPHER SHAYS (R-CT) HOLDS A HEARING ON NUCLEAR NON-PROLIFERATION - COMMITTEE HEARING

50065 words
26 September 2006
Political Transcripts by CQ Transcriptions
English

HOUSE COMMITTEE ON GOVERNMENT REFORM: SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING THREATS AND INTERNATIONAL RELATIONS HOLDS A HEARING ON NUCLEAR NON-PROLIFERATION

SEPTEMBER 26, 2006

SPEAKERS: U.S. REPRESENTATIVE CHRISTOPHER SHAYS (R-CT) CHAIRMAN U.S. REPRESENTATIVE KENNY MARCHANT (R-TX) VICE CHAIRMAN U.S. REPRESENTATIVE DAN BURTON (R-IN) U.S. REPRESENTATIVE ILEANA ROS-LEHTINEN (R-FL) U.S. REPRESENTATIVE JOHN M. MCHUGH (R-NY) U.S. REPRESENTATIVE STEVEN C. LATOURETTE (R-OH) U.S. REPRESENTATIVE TODD RUSSELL PLATTS (R-PA) U.S. REPRESENTATIVE JOHN J. DUNCAN JR. (R-TN) U.S. REPRESENTATIVE JON C. PORTER (R-NV) U.S. REPRESENTATIVE CHARLES W. DENT (R-PA) U.S. REPRESENTATIVE THOMAS M. DAVIS III (R-VA) EX OFFICIO

U.S. REPRESENTATIVE DENNIS J. KUCINICH (D-OH) RANKING MEMBER U.S. REPRESENTATIVE TOM LANTOS (D-CA) U.S. REPRESENTATIVE CAROLYN B. MALONEY (D-NY) U.S. REPRESENTATIVE CHRIS VAN HOLLEN (D-MD) U.S. REPRESENTATIVE LINDA T. SANCHEZ (D-CA) U.S. REPRESENTATIVE C.A. "DUTCH" RUPPERSBERGER (D-MD) U.S. REPRESENTATIVE STEPHEN F. LYNCH (D-MA) U.S. REPRESENTATIVE BRIAN HIGGINS (D-NY) U.S. REPRESENTATIVE HENRY WAXMAN (D-CA) EX OFFICIO

U.S. REPRESENTATIVE BERNARD SANDERS (I-VT)

WITNESSES: HANS BLIX, FORMER U.N. WEAPONS INSPECTOR ,

WILLIAM TOBEY, NATIONAL NUCLEAR SECURITY ADMINISTRATION, U.S. DEPARTMENT OF ENERGY

ANDREW SEMMEL, DEPUTY ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL SECURITY AND NONPROLIFERATION

JACK DAVID, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR COMBATING WEAPONS OF MASS DESTRUCTION AND NEGOTIATIONS

GENE ALOISE, DIRECTOR OF NATURAL RESOURCES AND ENVIRONMENT, GOVERNMENT ACCOUNTABILITY OFFICE

THOMAS GRAHAM JR., CHAIRMAN, BIPARTISAN SECURITY GROUP, GLOBAL SECURITY INSTITUTE

BAKER SPRING, RESEARCH FELLOW, THE HERITAGE FOUNDATION

JONATHAN GRANOFF, PRESIDENT, GLOBAL SECURITY INSTITUTE

HENRY SOKOLSKI, NONPROLIFERATION POLICY EDUCATION CENTER

FRANK VON HIPPEL, CO-CHAIRMAN, INTERNATIONAL PANEL ON FISSILE MATERIALS

[*] 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 the 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, end of quote.

Since 1968, nearly 190 nations have signed on to the NPT and pledged not to pursue nuclear weapons in exchange for access to the benefits of peaceful nuclear technology and a commitment by the United States, Russia, France, Britain and China, all nuclear weapons 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, quote, "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 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 they have nuclear weapons. Terrorist organizations such as Al Qaida 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 non-proliferation 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 the non-proliferation of nuclear weapons failed to prevent the spread of nuclear weapons?

Secondly, 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 the 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 non-proliferation, National Nuclear Security Administration, Department of Energy; Mr. Andrew Semmel, deputy assistant secretary of state, International Security and Non- proliferation, 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, national resource and environment, Government Accountability Office.

Our second panel 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 Non-proliferation Education Center; and Professor Frank Von Hippel, co-chairman of the International Panel on Fissile Materials.

We welcome all our witnesses.

At this time, we'll recognize the distinguished ranking member of the committee, Mr. Kucinich.

KUCINICH: And I would like to yield to the distinguished ranking member of the full committee...

SHAYS: Absolutely.

KUCINICH: ... Mr. Waxman from California.

SHAYS: The gentleman, Mr. Waxman, has the floor.

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'm pleased you've called this important hearing, and I want to extend a special welcome to Dr. Blix.

It's an honor to have you here today.

I'd 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 secretary boasted he knew precisely where those nuclear weapons of mass destruction were located. Well, all of them proved false. No weapons 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 Qaida 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 non-partisan 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's astonishing. That's an amount as much as we've 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 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 says that.

The most damning indictment, however, came this weekend when press reports revealed that American intelligence agencies completed a national intelligence estimate concluding 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's as if a massive Category 10 version of Hurricane Katrina struck the Middle East and the Bush administration was called in to handle the response.

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 non-proliferation and we confront North Korea with the risk of non-proliferation as well as we fear he may sell his weapons, even nuclear weapons, to terrorists.

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

SHAYS: I thank the gentleman very much.

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

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

Mr. Chairman, thank you for calling this committee 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 weapons 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's past but in looking at what's prologue.

So we're not only here talking about forensics. We're speaking about the future of the world and our capability to be able to assess what's happening and get what's 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's lost credibility. In the last six years, the U.S. administration has backtracked on international treaties and conventions. The administration misused the threat of weapons 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 non-proliferation goals may, in fact, be our own policies and actions. The U.S. has rejected the comprehensive test ban treaty, refused to sign the land mind treaty, withdrawn from the ABM treaty, 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 of 2003 despite the lack of reliable evidence of weapons 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.

Now, 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're 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're here in part to reassess the awful path that has been taken, policies built on a Potemkin village of massive fraud and lies.

It's good that Mr. Blix is here -- thank you -- because when you ask could the war be avoided, Mr. Blix said on Meet the Press, if I may quote him, "I think so. We carried out about 700 inspections. We've been to about three dozens of sites which the intelligence had given us. And in none of these cases did we find any weapons of mass destruction. If we had been allowed a couple of months more, we would have been able to go to all 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 lives. What was this war about? And what about all 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 is drawing 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're to prevent 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's evidence the administration has not. According to independent accounts in The New Yorker, G.Q., 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's working with MeK opposition groups to conduct lethal operations and destabilizing 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 and Iranian ports, all about WMDs.

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

SHAYS: Without objection.

KUCINICH: So in conclusion, you know, 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, quote, "included at least a dozen claims that were either demonstrably wrong or impossible to substantiate," unquote, 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're following all 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 three months later the subcommittee's been unable to question State or DOD directly on these reports.

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

SHAYS: I thank the gentleman very much.

Mr. Lynch, thank you.

LYNCH: Thank you, Mr. Chairman. I want to thank you and also ranking member Kucinich for holding this hearing.

I'd 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 weapons of mass destruction program posed a, quote, "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've 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 weapons of mass destruction was virtually non- existent.

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, quote, "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 weapons of mass destruction."

Similarly, as of this date, U.S. forces have neither located WMD or WMD-related sites, according to CRS reports of September 2006.

In short, our intelligence preceding the March 2003 invasion was significantly flawed, leading Dr. Blix to publicly comment that there as not -- and this is a quote, "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 committee, 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 reports 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 four 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.

And while Iranian president Mahmoud Ahmadinejad's 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 -- this is another quote -- "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 weapons program."

Furthermore, they continue, "although it is likely that Iran is pursuing nuclear weapons, there is still the possibility that Iran could be engaged in a denial and deception campaign to exaggerate progress on its nuclear program," such as Saddam Hussein apparently did concerning his WMD program.

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 that at least part of today's hearing include a discussion on whether arms limitations and disarmament must necessarily include a dialogue 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 we can address existing intelligence gaps regarding nuclear proliferation advancements as well as other means by which to strengthen the nuclear non-proliferation regime.

And again, I would like to thank all of you for your testimony.

I yield back the balance of my time.

SHAYS: Thank you very much.

Mr. Duncan?

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

SHAYS: You're welcome.

We'll 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 three days for that purpose. And without objection, so ordered.

I ask further unanimous consent that all witnesses be permitted to include their written statement in the record. And without objection, so ordered.

We have three panels, so this is going to be a fairly long day. And this is ultimately about weapons of mass destruction and 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're free to ask those questions.

What I will be doing when I have 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'll be wanting to get into these issues of how has the non-proliferation 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.

But you may be asked questions about Iraq, and you can answer or not answer, depending -- your decision. As you know, we swear in our witnesses, and I appreciate your willingness to be sworn in. When you become a diplomat again, we won't swear you in.

If you'd stand, please, sir. Do you solemnly swear or affirm that the testimony you will give before this subcommittee will be the truth, the whole truth and nothing but the truth? Thank you.

I note for the record our witness has just responded in the affirmative.

And 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 weapons of mass destruction, and you were very generous in spending about two hours of your time from a vacation. I'll never forget that visit.

And I am very appreciative that you would have been so generous with your time, appreciate that you would be here today and to say that we're eager to hear your testimony. You'll need to hit that button on the front there to make sure your mike is on. Just test it out there. Do you want to just tap that, just to see we're -- you're on. Thank you.

Dr. Blix, you have the floor.

BLIX: Thank you very much, Chairman Shays. I'm pleased to be invited by you and by the commission to here, the hearing on non- proliferation challenges.

The NPT is the central instrument through which non-nuclear weapons states commit themselves to remain without nuclear weapons and for the nuclear weapons 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 weapons states.

And 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's time now to begin to think what are countries going to say at next year's preparatory meeting.

As the chairman of the Weapons of Mass Destruction Commission, which was an independent commission established or financed by the Swedish government, I remain keenly interested in the question of nuclear weapons and the entity as a former director general of the International Atomic Energy Agency and responsible for the safeguard system there. I also have a good deal of continuing interest in it.

And of course, as chairman of the (inaudible) in New York, I had a lot of hands on experience, shall we say.

I have submitted some written testimony to the commission, and I've also submitted a few corrections in it which I hope you'll have taken note of.

But at this point, Mr. Chairman, I would like to stress the following. The first point is I think there's a very strong need that the world community, including the United States, become aware of the evolution that has taken place in the implementation of the entity both on the side of non-nuclear weapons states, or states that should have remained non-nuclear, and on the part of nuclear weapons states.

Kofi Annan was just talking about the world's sleepwalking into a new phase of disarmament. And the commission which I headed and which presented this report on weapons of terror precisely says that we think there is a need for a revival of the efforts at arms control and disarmament.

I received questions from your commission and I've answered them in my written submission. But here I would like to rather think of chronology what is maybe most of all needed at the present time.

And then I would agree with those who 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, and so has (inaudible) and we have also commented in detail about North Korea, the case. And 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 a country does not feel a need for nuclear weapons.

And 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 looks at China, Pakistan looks at India, Israel looks 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 if you compare the efforts made to get North Korea to stay away from nuclear weapons, you find that in the negotiation the North Koreans have 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.

And 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. And I think the same thing here would be needed in the case of Iran.

And from what we have seen about the offers, diplomatic negotiations, there has been nothing held out about either security or diplomatic relations.

So 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's now celebrating its 10th anniversary.

And the commission thinks that there could be possibly a domino effect if the U.S. were to ratify it. And 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 a ban, very likely others would follow -- China, India, Pakistan, Iran, et cetera. And at the present time, there would be, I think, a particular importance in getting the U.S. and China to do it, 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. So 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, or, as I say, the treaty which will demand prohibit the production of plutonium and enriched uranium for weapons purposes.

And the United States has recently tabled a draft on that subject in Geneva at the disarmament -- well, not in the disarmament conference, because it's not meeting as such, but (inaudible) for the conference.

Now, that draft, which I think has been well (inaudible) nevertheless misses one important point. That's verification (inaudible) always used to be felt, and the U.S. supported in the past, that such a treaty will verification. And it doesn't. This draft does not contain it.

And I think then we look at the negotiation and deal 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'm not saying that it's a reality, but a possibility that they could use their own uranium for making more material for weapons.

And if there's no agreement on a provision 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 penultimate point would be the biological weapons convention, which will have -- will come up for a review conference later this year, toward the end of this year, and where there are no provisions about implementation, and 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 this, 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 who were against it. It was United States, and it was the U.K. And accordingly, since the conference operates by unanimity, it could not land on the work program.

There is relatively little public discussion in the world about the risk of the weaponization of space, but there's 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 on them, that would help strengthen the Non-Proliferation Treaty.

SHAYS: Thank you very much, Dr. Blix. Doctor, so the bottom line is you focused on weapons of mass destruction, and they include chemical, biological, radiological material and nuclear, is that correct?

BLIX: Yes.

SHAYS: Yes. But today we're going to focus pretty much on the nuclear side. And at this time, I would recognize Mr. Duncan for 10 minutes. We're going to do the 10-minute rule.

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

But one thing I'm curious about, Dr. Blix -- how hard or how easy is it to make a nuclear weapon? So many people in our country seem to have the opinion that just somebody, some very small, you know, 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.

And I'm just curious as to how you would respond to that. I wonder, is it -- I assume it's a very difficult thing that would involve many people, but I'm just wondering about that.

BLIX: Well, Mr. Chairman, I'm a lawyer, and I'm not very good at making nuclear weapons. But I did read some time ago about some Ph.D.s in California who 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.

We have seen there is some doubts as to whether 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 and that this might be a reason why they have switched (inaudible) enrichment.

They have been active for a great many years. I was myself in North Korea in the beginning of the 1990s and saw the reprocessing plants. And they have been active for a long time.

Now, the Iranians started their -- it's reported that their enrichment program started some time in the 1980s, in the late 1980s, and if one then speculates why would they do it, my guess would be that they were suspicious about Iraq. And they were right. 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 or milligram quantity of 3.5 percent. So it cannot be all that easy to do it.

DUNCAN: Well, the more general question, then -- what do you think the -- which do you think is the more dangerous threat for a nuclear weapon, a rogue nation or a terrorist group?

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

Now, conceivably, some group could steal a weapon somewhere. Well, then they would avoid all that trouble. But in the disarmament community, I think there is more concern when it comes to terrorists that they might go for dirty bombs, so-called dirty bombs.

Dirty bombs are not based upon fission, an explosion. They are based upon the -- putting together cesium or cobalt or some such substance which is radioactive. And you combine that with explosives and you set it off somewhere in an urbanized area, then you can have a lot of contamination and a lot of terror, certainly, happening.

And these materials -- cesium and cobalt -- are things that are pretty much spread over world industry and hospitals.

DUNCAN: Now, how many nations have what you would describe as major weapons of mass destruction?

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's 35 or 40 or 50 or something.

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

DUNCAN: Eight or nine have nuclear weapons.

BLIX: Eight or nine, yes -- the five original sinners, if I use the expression, and then in addition to that, India, Pakistan and Israel, and then maybe North Korea.

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

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's 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 (inaudible) and if Iran were to move ahead, and if North Korea were to move ahead, that could have domino effect in the longer term. It might also have longer term effect if we do not get an energetic effort at arms control and disarmament.

If they simply see that there will be constructing new types of nuclear weapons here, if the U.K. takes a decision that they will prolong their Trident program far into the next century, then there is -- and if the military (inaudible) will allow a greater (inaudible) use for nuclear weapons, then we may also have a new risk such as we had when the NPT was (inaudible).

DUNCAN: Which countries in the Middle East are signatories to the treaty?

BLIX: Well, I think all apart from Israel are parties to the NPT.

DUNCAN: All of them except Israel.

BLIX: Yes.

DUNCAN: All right.

Thank you very much, Mr. Chairman.

SHAYS: Will the gentleman yield time to...

(CROSSTALK)

DUNCAN: Sure. I'll yield back.

SHAYS: Dr. Blix, I'd like to just focus first on the issue of -- I'd like to separate the material versus the weapon itself. And my concern isn't a suitcase bomb, because I think that tends to be more sophisticated. My concern isn't the weapons in the head of a missile. That's very sophisticated.

But I've gone to Los Alamos and I've seen a nuclear weapon constructed with pretty basic material. It's 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?

BLIX: The focus of international attention has been more on the material, on enrichment, and we see today a very active discussion about limitation of enrichment in the world. The thought is that there will be more nuclear power use 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, then 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 (inaudible) has come forward with the idea of international fuel bank, and so forth. I think this is a valid and an important discussion that will take a good deal of time. That is the major focus.

Now, when it comes to the missile, the ready-made things, the use -- there the question is delivery, and you referred to the suitcase bombs. And I remember we discussed it in our commission, and it was not rejected that small nuclear weapons could exist.

The Russian general -- I think Lebed was his name -- was talking about that, and it was denied at the time by Russian authorities. However, apparently they can become rather small, and 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 may use missile for, and the tactical ones. You have had nuclear artillery, have had nuclear mines, and 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.

U.S. (inaudible) 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 storages further into Russia.

And 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 (inaudible) was not a binding agreement, and our commission thinks that it should be made such.

SHAYS: When I was confronted with weapons-grade material, when I held plutonium on 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. And with North Korea, we negotiated a treaty to stop their plutonium program, and then this administration recognized they were doing enriched uranium.

And it strikes me that enriched uranium is a bigger concern, given its capability in detonation. Am I correct? I mean, I'm talking about a terrorist getting a hold of weapons-grade material. Wouldn't our biggest concern be enriched uranium?

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 '90s 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 '90s, 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's still suspected that they did.

SHAYS: Right, but the question I have -- and I want to turn it over to Mr. Kucinich -- is I'm talking about the weapons-grade material getting in the hands of the terrorists, not a rogue nation using a more sophisticated plutonium weapon.

And my question to you is -- and if you don't have an opinion, that's OK, but isn't our concern when it relates to terrorists that the more easily detonated weapon is one used in enriched uranium, and that would be our biggest fear in terms of terrorists getting a hold of?

BLIX: I'm not sure I hear every word I'm...

(CROSSTALK)

SHAYS: You know what? I need to...

BLIX: But I understand that you're asking about the differentiation between enriched uranium in a bomb and plutonium in a bomb.

SHAYS: Right, and which is a weapon of choice for a terrorist. Which weapons grade material would be...

BLIX: I think enriched uranium.

SHAYS: Right.

BLIX: That would be the judgment I have of experts that is...

SHAYS: It's because if you get plutonium, that needs to be a more sophisticated weapon, right?

BLIX: Yes. Yes. That's my understanding.

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 my...

BLIX: Yes. That's my understanding, that it is harder to make a bomb with plutonium. But the advantage is that it's smaller.

SHAYS: Well, the advantage of any sophisticated weapon is that it's 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 RUM (ph)...

BLIX: That's right.

SHAYS: ... 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.

BLIX: I would agree with you.

SHAYS: OK.

Let me call on Mr. Kucinich.

KUCINICH: Again, I want to begin by thanking once more the chair of this committee.

And 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 -- that without your active participation and your active efforts, there wouldn't be much public oversight at all in this House of Representatives.

I just want to make sure that that's said, because, you know, we're 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.

And, Dr. Blix, you spoke about space weaponization, which is an issue that I've been concerned about for years. As a matter of fact, there's a bill that I've introduced in the last few Congresses to ban the weaponization of space. It now has 35 co-sponsors.

Are you familiar with the administration plan called Vision 20/20?

Mr. Chairman and Dr. Blix, Vision 20/20 in its literature is about the weaponization of space and claims that it is the destiny of the United States to achieve, quote, "the ultimate high ground," unquote, which is domination from space.

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

BLIX: Well, I think that any such measure is likely to draw countermeasures from the other side.

I'm old enough to have participated in the creation of the Outer Space Committee of the U.N. and the conclusion of the outer space treaty (inaudible) which sought to insulate and to immunize the space from weaponization, and where the parties even committed themselves to pursue the exploration of space in a manner that would not lead to any contamination.

Well, that sort of cautionary attitude that we had in those days seems to have been gone altogether. We are talking about the risk of even placing weapons there.

And 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 disastrous. We have an army of engineers who are using space for our mobile phones and GPS and all of it, and investing billions and 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.

And I think all that requires much more of a public discussion, and I was therefore sorry that this item was not agreed to be discussed in Geneva at the present time.

KUCINICH: You've never seen any evidence that there's weapons of mass destruction on the moon, have you?

BLIX: On the moon.

KUCINICH: Right.

BLIX: No. I think that's an area where they have created -- nuclear weapons are prohibited in various environments (inaudible)

KUCINICH: I think that your recommendation 45 about the 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 extensive hearings on.

I noted your discussion about what happens when nations aspire to gain nuclear weapons. We're 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?

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, they have told the Iranians that they need not go for enrichment to have fuel for their reactors. They can have international assurance of supply.

And 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 international market, as Sweden or as Switzerland does.

So I think it is probably assurance of supply that could be a relevant factor. My point is that Iran does not have -- to our knowledge, doesn't have very much uranium in the ground, so eventually they would be dependent upon import anyway.

The Europeans then, I think, have taken the intelligent stand of yes, we will offer you an assurance of supply. That's the first point. But moreover, I think they have also been wise in saying that we will actually support a peaceful nuclear program in your country, we will be ready to sell your reactors, but only in the peaceful sector, but thereby nevertheless underlining 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's a wise step as well.

And then there are various economic goodies that they offered -- membership in the World Trade Organization and investment and so forth. But what they have been missing, I think, so far is any talk about assurances of security.

KUCINICH: Well, you know, that's the next point, and that is that if you're going to seek to avert some kind of a crisis from building, first, direct talks; second, there has to be assurances that you're not going to attack the country, is that correct?

BLIX: Yes.

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?

BLIX: Yes, I think that one is likely to get better results with an offer of security than with threats of attack. But there's one further element (inaudible) that I think is relevant. That is this business about preconditions.

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, I think of a game of cards. I mean, 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 and discuss that. Whether in the last resort they would go along, I don't know. But I certainly think that ought to be explored.

KUCINICH: As you're aware -- I'm sure you're 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?

BLIX: Yes.

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'm concerned about the gross exaggerations made in the report. For example, the staff report stated that the Iranian enrichment level at the Natanz pilot fuel enrichment plant was at, quote, "weapons- grade levels," unquote.

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?

BLIX: No, of course not.

KUCINICH: And how many centrifuges would be required to enrich uranium to weapons-grade level?

BLIX: I really don't know how many, but probably -- it depends on how long a time you are working on centrifuges.

KUCINICH: Could it take thousands?

BLIX: Yes, it could. Yes, very likely. They have one cascade now, 168 centrifuges, or something like that. But with that they cannot make -- do very much.

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?

BLIX: Well, I think it was a mistake on behalf of the investigators. The reality is that under the safeguard system, the recipient country can (inaudible) say no to any inspector. They have a right to do so.

They don't have that under the OPCW in the chemical sphere. I think it's a pity that they have it in this nuclear sphere. But that's the reality with which the director general of the IAEA will have to live, so I think the Iranians raised an objection to Mr. Charlier, and then (inaudible) the director general had no choice.

He had to drop him from active inspection, which doesn't mean that he doesn't work on the issue in the IAEA. I don't know whether he does, but it wouldn't prevent it.

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

BLIX: According to the IAEA newspaper that I saw, they have about 200 inspectors whom Iran has approved.

KUCINICH: Is that a large number, or is it typical?

BLIX: Normal. It's a normal amount.

KUCINICH: It's normal? All right.

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

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'll go to you first since I was able to -- and then I'll conclude with my round, and then we'll do another round.

You have the floor, sir.

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 weapons of mass destruction prior to the invasion of Iraq. We've asked on five occasions, and we've 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'd like to just ask you -- you've 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're 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. And I'd 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, and I'll quote the passage here. It's 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 risk 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. Can you tell me more about this, about what the effect of -- and also what the effect of the credibility of the United States government became as a result of these, as you've described, exaggerations? BLIX: Well, in the autumn of 2002, when we started our inspections in Iraq -- I'd like to say also that I don't think that Saddam would have gone along with inspections if it had not been for the military buildup by the United States.

I'm not a pacifist. I'm not someone who says that you must never use military pressures.

LYNCH: I understand.

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 at 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 Niger. It was my colleague ElBaradei who succeeded me (inaudible) I was in charge. I was not in charge.

But I was somewhat skeptical about it when I heard about it, because import of yellowcake is very long -- yellowcake is a long way from a nuclear weapon. I asked myself why would they want that yellowcake. Well, 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. And I know all the debates, and I read some about them here in Washington about the Valerie Plame and Mr. Wilson and so forth.

But what I'd like to stress is that my colleague and friend ElBaradei -- he sat in the Security Council next to me before the war broke out, and he said that this -- we have had this contract and I can tell you that it is not authentic. That was the diplomatic language he used, it was not authentic. It was a forgery.

So it was something that was known before the war, and 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 one's self -- a little bit of critical thinking -- what is this.

And as it seems, at any rate, it was known within (inaudible) there were doubts, skepticism in the (inaudible) about the validity of the contract. Nevertheless, as I said somewhere else, I think they chose to replace question marks by exclamation marks.

LYNCH: Just to follow up on that, we're talking about a very, very critical decision-making 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 adviser, Condoleezza Rice, went to the White House, sat with CIA director Tenet with the Joint Chiefs.

All of the information 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 Kaye, who I believe was the chief weapons inspector under the Clinton administration before you served -- certainly...

BLIX: No.

LYNCH: ... in that time after the first Gulf War when they were removing materials, 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.

And 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, every -- and we're not talking about one or two facts. We're talking about a steady drumbeat of information to the press, 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 had been given previously -- the Niger documents, the tubes, all of that -- do you have any further thoughts on that?

BLIX: Yes, Mr. Chairman and Congressman. 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've met many of them. I have great regard -- respect for them. Many of them put their lives at stake and so forth.

And I think it's necessary in the times, in the age of terrorism. I'm not at all against it. But I simply think that here you had a government sitting in the center. They're interested in what's going on in rogue countries or elsewhere. And they get (inaudible) of information.

They get (inaudible) of information from their own intelligence, and they also get the information from international inspection, from the chemical people and from the nuclear people. And they can compare.

And they operate with very different sources. They have a lot of defectors. They spend billions of dollars to listen to our telephone conversations, et cetera. 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 countries. But they are on the ground. They can go into the buildings. They can ask for documents and they can ask for explanations.

So hence, I think the government that sits there and has both sources -- they should rely on both sources. And I think that in the case of Iraq, regrettably, they did not pay so much attention to -- or at least they didn't appear to pay much attention to what the international inspections said.

And even now, when you look at Iran, we hear various stories and speculations. Well, we can listen to that, but most of the information that has come out of Iran nevertheless comes from the IAEA investigation (inaudible).

LYNCH: Thank you.

I yield back, Mr. Chairman.

SHAYS: Thank you.

BLIX: Should I add, Mr. Chairman, that -- 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. And I think it's still below $100 million per year.

And when you think of what the intelligence costs to look after Iraq, Iran, North Korea, I think you will see that it's a very good bargain to have international inspections.

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...

BLIX: Having...

SHAYS: ... impact on Libya, and then I'm going to ask you, does the United States get any credit in outing Iran and North Korea, in your opinion, for 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'm wrong, but I'd like to get your opinion.

BLIX: You asked about Libya first. 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 their research reactor, which was in rather miserable condition at that time.

SHAYS: I'm not suggesting that they were advanced, but they were moving forward with a program, correct?

BLIX: Yes, it's clear that they did. And it was not the IAEA that discovered it.

SHAYS: Right.

BLIX: This came, rather, through intelligence and then they intercepted the ship which contained, I think, various equipment.

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 weapons of mass destruction program, and I use the Israelis as the harshest critics. They said this is a turnaround that's for real.

BLIX: Yes. It may well be that the U.S. should have the credit. How much goes to the U.S. and how much go to the U.K. I cannot tell you.

SHAYS: OK. Well, fair enough.

BLIX: But the two of them together, yes.

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?

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.

SHAYS: Yes. I'm not putting criticism on the IAEA. That's not my point.

BLIX: No. No, no. I realize that. But I think that the first discovery that they were not honest came through the agency. That was...

SHAYS: So the United States is basically saying we've got a problem here. And 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 a program, we disagree, and does -- who basically deserves credit in calling the question on Iran?

BLIX: Well, 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 have moved somewhat in that direction after some of the evidence that have come up to the fact that the Iranians were receiving documents about (inaudible) and then centrifuges. SHAYS: Do you have any sympathy for the United States given that we -- and the Brits -- basically helped bring attention to three countries that were moving forward with a nuclear program?

BLIX: I think we should all be concerned about that, and I certainly...

SHAYS: No, but do you give the United States any credit for its efforts in each of those...

BLIX: Yes. Yes. Certainly.

SHAYS: Yes. No, because, you know, you deservedly have reason to be concerned about Iraq.

And 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, you know, incredibly -- well, culpable in spreading a knowledge of nuclear programs to other countries? Who deserves credit for that?

BLIX: As far as I know, the discovery came in the context of the Libyan affair...

SHAYS: Right.

BLIX: ... when they intercepted the ships and then they tried to find out where it is the material had come from. That was intelligence.

SHAYS: Yes, that was intelligence. And again, it's the United States, Great Britain maybe more than the United States.

BLIX: Yes.

SHAYS: So I just want to say, when I think of that, I say well, good for you, United States, good for you.

BLIX: Well, and I agree with you. I think both intelligence and inspection are desirable. Both.

SHAYS: Right.

BLIX: I am not against intelligence. But I am against an exaggerated and non-critical examination of it.

SHAYS: Fair enough. 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 United States -- that 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's 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 fissile -- you know, create a nuclear explosion.

And 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.

And the 9/11 Commission said -- Europe is not totally in agreement with it, but the 9/11 Commission said we're not fighting terrorism, we're confronting Islamist terrorists. They were pretty clear about it.

It was 10 members, Republicans and Democrats, liberals and conservatives. They all agreed on that one point, we're confronting Islamist terrorists. And you know, I basically conclude you're 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 -- you know, basically a nuclear weapon and 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.

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 acquire nuclear weapons but is responsible what's happening within its territory.

And if one had any uncertainty about that, I think that the resolution adopted by the Security Council, the 1540, would dispel any such uncertainty. That enjoins the countries who are 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 1540 also -- and this is the possibility of states helping countries to set up machinery for the implementation of the treaty.

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

BLIX: Well, I think Pakistan is about more dangerous thoughts in the world. It's a very volatile country, with a lot of people with extreme views. So it's not an entirely unrealistic fear that we have about it.

SHAYS: But in terms of our capability to respond, I guess the question is how would we respond. And I'll just tell you my bias. I know we found no weapons of mass destruction in Iraq. I believed 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 committee also conducted the hearing on the oil-for-food program, and we learned that Saddam undersold this oil and got kickbacks and overpaid for commodities and got kickbacks.

And the Duelfer report said no weapons of mass destruction and Saddam is (inaudible) basically bought the French and the Russians in the Security Council. Tariq Aziz made it very clear that Saddam never thought that the United States would ever remove Saddam from power because of his support with the French and the Russians.

And 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.

So what I'm going to ask -- my last question is 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. And that's what I wrestle with.

Tell me in this world that my daughter's going to grow up in how we deal with that kind of scenario under the systems that you have so much respect for.

BLIX: Well, I think you have described an awful 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, in all his brutality, did not tolerate any terrorists and did not contribute any weapons of mass destruction to them.

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

SHAYS: No, no. It's the one I just chose to give.

BLIX: No, no, I agree with you. I mean, I... 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.

BLIX: Yes. But you could also have a case in which some other big country with nuclear weapons came -- perhaps not to give terrorists, but you would have a totally different picture.

SHAYS: Well, when I come back, though -- because I'd like Mr. Kucinich to have his time and my last round -- I really want to just try to nail down what the options are to -- 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.

BLIX: Well, the NPT...

SHAYS: And let me just say I'll defer that, because I want Mr. Kucinich to have the time. I have my red light, and I've gone on two minutes beyond.

So, Mr. Kucinich, you have the time.

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

PLATTS: Mr. Chairman, if I could ask just one.

SHAYS: Sure.

PLATTS: And hopefully it's not been asked, and I apologize for my late arrival.

SHAYS: You have the right to ask any question you want to.

PLATTS: OK. Thank you, Mr. Chairman.

And, Dr. Blix, I certainly appreciate your service to citizens throughout the world and the important work you've done. In your written testimony, your answers talk about Iran specifically and the 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. And the way I read your answer, it's kind of emboldened them, maybe, with stronger public support.

What would you suggest -- how do we deal with a country like Iran or if it was North Korea -- but if the sanctions are not the way to do it, because it's 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?

BLIX: Well, 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 will 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 the -- 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 they are under (inaudible).

There's some notion -- I read the papers -- that you must have both carrots and sticks. And whereas sticks and threats are indispensable -- but to my mind, the -- you have the carrots on the one hand. You have the absence of carrots on the other side. And that's also a sort of punishment.

And I think in the case of Iran that we better -- above all, I just don't think that they have tried all the carrots they could try. And we are pointing to the question of security. We are pointing also to relations, to be not -- that the rest of the world will show friendship, but simply accept them and deal with them.

We also point to another possibility, mentioning that if you look at the Middle East as a particularly 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.

In 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. It wouldn't affect the bombs that we assume they have, but it wouldn't -- but they would have to give up.

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

PLATTS: Thank you, Dr. Blix.

Thank you, Mr. Chairman.

SHAYS: Thank you.

We're going to go another round and maybe not take the full 10 minutes each, but whatever.

Mr. Kucinich, we'll start with you.

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 on a presumption of a nation having WMDs, and it's 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.

And 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 has weapons of mass destruction.

Even though there were plenty of information available at the time, the 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 Qaida 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 trying to -- they weren't buying yellowcake from Niger. That was a hoax. The mobile weapons labs that the secretary of state talked about at the U.N. -- 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 destabilize a government.

But if you destabilize a government, does that increase the risks of nuclear proliferation by non-state actors within that government's territory?

BLIX: It depends how 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.

KUCINICH: But does it go without saying, though, that if you weaken a state, you increase the power of non-state actors within that state?

BLIX: It may happen that if you destabilize a government that there will be a greater scope for non-state actors. That is possible. I don't think it's axiomatic that it will happen, though.

KUCINICH: Do you believe Iran is trying to develop nuclear weapons?

BLIX: I think there have been some indications pointing in that direction, but I don't think it is conclusive. And I think that after the experience we have had in Iraq, one should be a little careful to jump to conclusions.

I think that building a -- constructing a 40-megawatt heavy water reactor is something they could have avoided if they want to avoid suspicions, because that's a very good plutonium producer.

I don't think that necessarily hiding the program is conclusively showing that they're going for weapons. It was illegal. It was a violation of the safeguards agreement. It was a breach. Yes. But having feared that they could be sabotaged, that there would be bombing, maybe, they kept it secret for that purpose.

I don't think it's conclusive, but it's certainly an indication. There are others. But I don't think it's conclusive.

KUCINICH: Then would you say there's indisputable evidence that there is -- that the Iran program is an imminent threat to the security of the region or of the United States?

BLIX: They will certainly increase the tension in the Middle East if they proceed with a program of enrichment. There's a lot of talk about trying to explore the intentions of the Iranians. And if they have an intention to go

for weapons, then it's contrary to -- that's a violation of NPT. If they don't have that intention, it's not a violation.

However, I think at this point, really, the intention is immaterial. There's no use in searching for the intentions, because this could damage them if it were -- you found really good, strong evidence that they intended to go for weapons.

But if you don't find it, it's not going to help anyway. Everybody's going to say they can change their intention. If we accept today that they don't have intention, when in two years' time they could change their intention, so 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. And 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's an armed attack, then you have the right to act -- exercise self-defense in the case of an armed attack or even imminent armed attack.

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

KUCINICH: So Iraq was not an imminent threat.

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 there is a threat there.

KUCINICH: Iran is not an imminent threat.

BLIX: It's not a threat today. It could become later on. But I think that the -- there is another article in the U.N. charter in Chapter 6 -- not Chapter 7, Chapter 6 -- 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 U.N., not unilateral force. These are two different things. And 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.

KUCINICH: Have you ever heard of a report that three years ago Iran offered a dialogue with the United States, including full cooperation in nuclear programs?

BLIX: No, I'm not familiar with it. I might have read about it.

KUCINICH: Mr. Chairman, for the record, I'd like to introduce a copy of this for this hearing. It's from the Washington Post on June the 18th, 2006. The headline is In 2003, U.S. Spurned Iran's Offer of Dialogue: Some Officials Lament Lost Opportunity.

The first graph says, "Just after the lighting takeover of Baghdad by U.S. forces three 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 dialogue 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.

SHAYS: We'll put this on the record, without objection.

KUCINICH: Thank you.

And are you familiar with -- 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?

BLIX: Yes. They have made many of them.

KUCINICH: Have you heard them say that the weapons of mass destruction do not have any place in the defensive doctrine of the Islamic Republic?

BLIX: Yes.

KUCINICH: Do you give any credibility to that?

BLIX: Well, Mr. Rasfanjani, 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 of the...

KUCINICH: Well, verification certainly is one of them.

BLIX: Verification, yes.

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?

BLIX: I think if the negotiations were to go forward, maybe there would be an opportunity for 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 inspection under the strengthened safeguards regime, but 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 this more intrusive inspection.

So I think if there were to be some relaxation, some negotiations maybe, as a part of those negotiations, part of the deal, that they would have to accept more intrusive inspections if there were to be (inaudible).

KUCINICH: I thank Dr. Blix.

Mr. Chairman, this is really the crux of my concern about our policies toward Iran. I mean, Dr. Blix made the case that direct talks and then -- you know, in connection with a guarantee of not attacking.

My concern is that we've seen a lot of information on the record that covert action is being -- has been generated against Iran, that the Strategic Air Command has selected 1,500 bombing targets, that a naval deployment toward the Strait of Hormuz is in the offing.

We've seen this 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 you know, 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. Thank you.

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's recognized for 10 minutes.

VAN HOLLEN: Thank you, Mr. Chairman, and sorry for being 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 will 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 can 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'd like you to give us an assessment, if you could, of where you think we are.

In the United States we had the Nunn-Lugar program to try and buy up what we commonly refer to as loose nukes within the former Soviet Union. There are obviously other sources of fissile material around the world.

The bipartisan 9/11 Commission, when they gave their final report card to the Congress with respect to non-proliferation efforts, they gave the United States government a D, a failing grade, when it came to the effort to secure weapons of mass destruction.

I'd 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.

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's a long time now since the Cold War ended and money and efforts have been put into Russia in order to secure the material and put better locks on the doors, et cetera, and to move back into Russia material that was abroad in Kazakhstan and other places. There was quite a dramatic expedition for Kazakhstan.

And the latest case I read about was someplace in former Serbia, former Yugoslavia, where there was material. So I think this has been going 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's a terribly expensive program compared to many other things that we do in the nuclear field. And therefore, I favor the (inaudible) 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 diligent. We acted for a long time, and I express my appreciation for that, too.

VAN HOLLEN: If I could just follow up, Mr. Chairman, on that issue -- I mean, in addition to this 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, number one, identified all these sources of the existence of loose nuclear material, number one?

And number two, do you have a high level of confidence that it is being guarded, protected in a way that it's not stolen or, you know, made off with by people who we don't want to have, you know, it fall into their hands?

I'm just trying to get a rough assessment, because as I said, the bipartisan commission gave us -- this was last December -- gave us a D, the U.S. government in this area. And I'm curious as to what additional measures, if any, you think we should be taking.

BLIX: Well, 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 (inaudible) a fairly regimented states, 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.

VAN HOLLEN: In the interest of time, Mr. Chairman -- I know we have a couple of more panels here -- I (inaudible)

SHAYS: Thank you very much.

Mr. Platts, do you have any questions?

PLATTS: (OFF-MIKE)

SHAYS: 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 a country do -- excuse me. What does the world do when a nation, say, like Pakistan, for instance, is under the command of a coup, a very Islamist state, sympathetic to potential Islamist terrorists?

What are the mechanisms available to contain the weapons-grade material before there's the possibility of it getting into the hands of terrorists?

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's interpreted nowadays certainly also to be an imminent threat of an armed attack.

But beyond that, if the world wants to take an armed action of some kind, the Security Council can authorize it.

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 general way, about any movement in Iraq even if Saddam had weapons.

So that's the challenge. I mean, the oil-for-food program was pretty clear about its consequences, and not necessarily -- you know, but it's 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 till it happens?

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 was only a minute quantity if uranium that has been enriched, the council, with the support or acceptance by the Russians and the Chinese, have gone along with threatening of a sanction.

SHAYS: Let me ask you this. Is there any doubt in your mind where the Iranians are headed?

BLIX: Yes.

SHAYS: There is doubt?

BLIX: Well, as I say, I don't think it's conclusively (inaudible). I pointed to some indications such as the 40-megawatt reactor. But I think especially after the experience of Iraq, I don't want to jump to conclusions.

And frankly, I don't think that it's very -- matters very much what their intentions are.

SHAYS: Now, 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 to...

BLIX: Yes.

SHAYS: And what's surprising to me is the lack of willingness on the part of the Western European nations to use sanctions.

BLIX: I share their 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 feeling that they're being treated unfairly...

SHAYS: Right.

BLIX: ... and that the carrots are more effective.

SHAYS: OK.

BLIX: However, if I may return to the other situation of which you describe, and which is a scary one when you have perhaps a country like Pakistan or other country, and you have a coup, and you have some people are -- seem very dangerous in power, that I am not -- I'm saying that the Security Council would have to grapple with it.

I'm 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 address that situation. It's by no means a given that Russia or China would take that with equanimity.

SHAYS: Do you think that Iran has a unique situation, given its wealth in particularly natural gas and oil as well?

Do you think that 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?

BLIX: I'm not quite sure I get...

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're dealing with a nation that has this economic energy resource that they can use as a bargaining chip?

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 a nuclear weapon. 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...

(CROSSTALK)

SHAYS: And admittedly, I'm not from Europe, and I have limited knowledge, but I read that action candidly as, in part, the fact that they're very dependent on energy from that part of the world, and...

BLIX: We all are.

SHAYS: Well, we all are, indirectly, and in some cases directly. We all are. BLIX: Yes.

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 that's where they push us if they, in fact, aren't willing to use the one tool that could have impact.

BLIX: You are really envisaging the possibility of an escalation before one has exhausted the various cards. And my view is that there are still cards available and that they should be tried.

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

SHAYS: Well, given we didn't find weapons of mass destruction in Iraq, I know our credibility has been hurt. But in the end, let me ask this last question. 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?

BLIX: Well, 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 take a lot to move Japan away from non-proliferation, but if it were to, then I think that the tension in the Far East between India -- between China and Japan -- now, that is, I think, a more serious perspective.

Getting back to the point where you are...

SHAYS: Yes. Let me just say, though, more serious compared 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...

BLIX: Well, there's different time perspective. I mean, Japan is a country that has an enormous amount of enriched uranium and plutonium sitting on it, and in the Middle East you don't have that.

SHAYS: Let's forget North Korea, because I'm going to concede North Korea would be hugely detrimental.
BLIX: In the Middle East, the countries there -- Egypt, Saudi Arabia, Syria, Turkey -- they are not at that level. They have a long...

(CROSSTALK)

SHAYS: No, but would it compel them to get to that level?

BLIX: Well, that's a speculation. I don't...

(CROSSTALK)

SHAYS: Well, that's what we have to do in this business. We have to speculate. I mean, that's part of -- no, we do have to speculate. I mean, you know, in my travels to the Middle East -- and they are frequent, very frequent -- you know, we have a sense that Qatar has already basically come to the conclusion that Iran is going to be a far more dominant power, it may have a nuclear program.

And we're already seeing Al Jazeera even be far more sympathetic to Iran than they were before. That's what we're seeing. We call that hedging your bet.

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?

BLIX: Well, we have seen no signs of their moving in that direction, and 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 carrots. There are many carrots that could still be used for that purpose.

SHAYS: Well, I didn't intend to use my 10 minutes, but you're 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 that we're not going to -- 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?

BLIX: Well, you touched upon one issue which is also close to my heart, and that is that of energy. And 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.

And 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 or carbon dioxide, and I share that completely.

I think I'm more worried long term about global warming than I am worried about weapons 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 more. I'm not against wind power and not against solar power.

SHAYS: I hear you.

BLIX: But you're not solving energy problems of Shanghai or Calcutta by these. And therefore I am in favor of the Chinese developing their nuclear -- and I think the -- when I was at the IAEA I tried also 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 (inaudible)

SHAYS: Well, you raised the question, and I'm so sorry that this has to extend this, but do you compliment the United States on our outreach to India or are you critical of our outreach to India as it relates to nuclear...

BLIX: Well, both. Both. I mean, I think that -- and the commission takes that view, that from -- we say it's not our job to discuss energy. Within the commission, some people would have been negative to that.

But on the non-proliferation side, yes, there are dangers, and we are (inaudible) 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 join 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 their...

(CROSSTALK)

SHAYS: OK. That's the criticism. What's the positive?

BLIX: That's a criticism.

SHAYS: Give me the positive. Since you got both, let's make sure we put on the record the positive. What's the positive?

BLIX: The positive side of it I think is 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.

SHAYS: OK. Thank you so very, very much for being here. And is there any last point you want to make, or are we all set? 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 weapons of mass destruction.

We have been criticized by some people who say well, 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 were...

(CROSSTALK)

SHAYS: Are we talking about Iraq? Is that what you're talking...

BLIX: In Iran I think they're also being entirely professional. I think the IAEA has done a (inaudible) in such detail as us, but we act as international civil servants.

The job of civil servants is to compile a dossier for the decision makers, the Security Council or the government. We were not politicized. We were trying to be very (inaudible) professional.

And I think there's a great value in that, and while criticism of the intelligence community has been that they bent in some cases -- bent little to the interest of the decision maker, that we did not do that.

SHAYS: Right. I think that's clear. And 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're a man of great distinction, and you honor our committee by your presence here today. Thank you so much.

We'll have a one-minute recess, and then we'll get to our next panel.

I'd like to announce our second panel. Our second panel is Ambassador Thomas Graham, Junior, chairman, Bipartisan Security Group, Global Security Institute; Mr. Baker Spring, F.M. Kirby research fellow for national security policy, The Heritage -- see, now I'm on the wrong panel.

Sorry, take two. Take two. Our panel two is William H. Tobey, deputy administrator for defense nuclear non-proliferation, National Nuclear Security Administration, Department of Energy; Mr. Andrew K. Semmel, deputy assistant secretary, international security and non- proliferation, Department of State; Mr. Jack David, deputy assistant secretary of defense, combating WMD and negotiation policy, Department of Defense; and Mr. Gene Aloise, director, national resource and environment, Government Accountability Office.

This is a panel of four members. We appreciate their presence. I want 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'll go to Mr. Semmel and then Mr. Jack David.

Mr. David, it's my understanding that this may be your last official act serving for the government. Is that correct, sir?

DAVID: Yes, unless there's something in the next two days that you have in mind.

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

DAVID: Thank you very much.

(APPLAUSE)

SHAYS: Let me welcome all 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've heard asked in the first panel. Your full statement will be submitted for the record.

And we'll, 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, you have -- 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, but welcome -- to have you both here.

OK, Mr. Tobey, you have the floor.

TOBEY: Thank you, Mr. Chairman. I should actually perhaps point out that when I'm not in New Canaan, I'm in Bethesda, Maryland.

VAN HOLLEN: I was going to say I'm a little confused, because I thought Mr. Tobey was my constituent.

(LAUGHTER)

SHAYS: Well, let me ask you this. Where do you vote?

(LAUGHTER)

TOBEY: I vote in Maryland, but...

SHAYS: Oh. Well, forget you.

TOBEY: ... when the president nominated me he said of Connecticut.

VAN HOLLEN: We won't take it any farther, then. SHAYS: No, he has friends in the district. Let's leave it at that.

OK, Mr. Tobey, we'll get back to business.

TOBEY: Thank you, Mr. Chairman.

SHAYS: And we'll strike out all that we said from the record when we get a chance.

OK, you're on. Mr. Tobey, welcome to this hearing, and you have the floor.

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 to the record.

Under President Bush's direction, the United States has taken many steps to meet this complex and dangerous threat, non- 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 non-proliferation 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.

SHAYS: I am embarrassed to say after 10 years, this is the first time I think I've ever failed to swear in a panel. And the only one we've never sworn in was the senior senator from West Virginia, because I chickened out, but I'm not intimidated by any of you. I need you to stand and swear you in. I'm so sorry.

Raising your right hand, do you solemnly swear or affirm that the testimony you will give before the subcommittee will be the truth, the whole truth and nothing but the truth? Thank you. You're reading from your written statement. We know that all of your statement is the truth, and you're sworn in, and everything that preceded is the truth. And you're on, and I'm so sorry to interrupt you.

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. 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 two years, to 2008, the securing of weapons-grade fissile materials in Russia. These materials will be out of circulation and protected against theft.

The second area I would like to highlight is our work to improve the nuclear non-proliferation 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 suppliers to strengthen controls on the most sensitive nuclear technologies, in enrichment and reprocessing, and 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 non-proliferation commitments.

These initiatives are under discussion in the nuclear suppliers 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 and 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 and 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 non-proliferation 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.

SHAYS: Thank you, Mr. Tobey.

Mr. Semmel -- am I pronouncing your name correctly? It's Semmel. Yes, thank you. You need to move that mike a little closer to you.

SEMMEL: I think we've got it. There we go.

SHAYS: OK.

SEMMEL: Well, let me say, Mr. Chairman, first of all, I regret that I neither live in Connecticut or Maryland, but I'm looking for new housing.

SHAYS: (inaudible)

SEMMEL: I live in Virginia, unfortunately.

Anyway, I'm pleased to have the opportunity to come before this committee to discuss the Nuclear Non-Proliferation Treaty, the NPT, and the steps needed to strengthen the NPT regime.

I might say that I appreciate the very thoughtful set of questions that you sent in your letter of invitation, and my prepared statement, which is longer, will address these questions more directly.

It's clear, Mr. Chairman, that the nuclear non-proliferation regime and the NPT face serious and unprecedented challenges today, with unresolved cases of non-compliance and even withdrawal from the treaty.

The regime is now at a critical crossroads. One road leads to a crisis stemming from non-compliance of states-parties and the weakening of the non-proliferation regime. The other leads to strengthening of the treaty regime to keep it strong for 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 non-proliferation.

The NPT is intended to stop the spread of nuclear weapons and materials related to the production of these weapons. That we can be here today, 36 years after the treaty entered into force, and not count 20 or more nuclear weapons states, as some predicted in the 1960s, 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's 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 6 of the NPT.

Some non-nuclear weapons states argue that since the nuclear weapons states have not totally eliminated their nuclear weapons stockpiles, the NPT is failing and that they, the non-nuclear weapons 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 the 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 non- proliferation. 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've dismantled 13,000 nuclear weapons since 1988.

We've not produced any fissile material for weapons since the late 1980s. And the production of our weapons HEU halted in 1964. We have dismantled more than 3,000 non-strategic nuclear weapons.

Our Article 6 record is significant and the trend lines on the reliance of 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 weapons states to disarm, but from the proliferation activities of the treaty's non-nuclear weapons 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 Khan network was illegally shipping nuclear materials and weapons designs to other states, and Iran's secret nuclear sites at Natanz 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 '90s 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 non- proliferation regime in a number of ways, and I'll just mention a few: Through the full implementation of United Nations Security Council 1540, to universal adherence to the IAEA's additional protocol, to efforts at the Nuclear Suppliers Group to make the additional

protocol a condition of nuclear supply, to the creation of the IAEA committee on safeguards and verification, to the expansion of the proliferation security initiative, and through closing of a NPT loophole by restricting enrichment and reprocessing technology, to cite a few examples.

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

That said, if multilateral organization arrangements fail to impose consequences on those such as North Korea and Iran who violate their non-proliferation 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 non-proliferation tools, some of which I've cited today.

We must have a global non-proliferation architecture that ranges from limiting access to dangerous materials and technology and securing them at the source, to enacting export and border controls, 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.

SHAYS: Thank you, Mr. Semmel.

Mr. David? 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 by the Defense Department.

I thank you for the opportunity to testify on weapons 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 non-proliferation 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, quote, "a critical contribution to international security," unquote.

The NPT is a principal element of an expanding legal framework devised to curb the development of nuclear weapons programs. We've 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 programs.

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 CTR efforts successfully assisted Russia, Belarus, Kazakhstan and Ukraine in dealing with the disposition of nuclear warheads and materials.

Since 2002 DOD 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 non-proliferation measures we and other countries have supported have not been successful in all respects. Rogue regimes, unscrupulous profiteers and non-state actors such as the A.Q. Khan 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's 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.

SHAYS: Thank you.

Mr. Aloise? Am I pronouncing your name correctly?

ALOISE: Yes, sir, that's right.

SHAYS: So it's Aloise, even though it looks like Aloise.

ALOISE: It's Aloise.

SHAYS: Aloise, not Aloise?

ALOISE: Aloise, yes.

SHAYS: Aloise. Thank you, sir.

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

Reports about the clandestine nuclear weapons programs of North Korea, Iran and Libya, as well as covert nuclear trafficking networks have increased international concerns about the spread of weapons 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 new authority to search for covert nuclear activity.

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.

Lastly, IAEA is facing a human capital crisis that threatens the safeguards mission. In 2005 we reported that over 50 percent of senior safeguards inspectors and high-level safeguards officials are retiring in the next five years. In our 2005 report, we recommended a number of actions designed to address the weaknesses in IAEA's safeguards program. IAEA is being 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, and I would be happy to address any questions you may have.

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 there the concern -- 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 acknowledgment 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'm 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'll start with you.

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

At the end of the day, what we were trying to do, as Jack David indicated in his remarks -- that 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's a variety of programs that are essential to 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 years or four years ago, I think, in which the United States is the principal contributor to this.

And essentially, what that program does is to ensure greater physical protection at facilities and also better protection of materials at the various nuclear facilities.

So this is a program which the IAEA does have -- in that sense, does have a very direct role in terms of making sure that dangerous materials -- in these cases, nuclear materials -- don't get into dangerous hands.

I might want to say, on the second part of your question, one of the things that I think that was discovered -- that was discovered in the initial stages of ousting Al Qaida from Afghanistan is that there was some discovery of documents and materials in which Al Qaida did have some documentation on designs of 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's a long way between having...

SHAYS: Let me just, before the others respond -- do you agree that it is relatively easy to build a crude nuclear weapon that could create an explosion 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?

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

SHAYS: Well, that's the issue.

SEMMEL: Yes, right. That is the issue.

SHAYS: Right, but we can get beyond this issue of whether they can build the weapon. You do agree that they could build a weapon.

SEMMEL: With the right infrastructure and technological know- how, yes, and if they had access to that, they could...

SHAYS: OK. We're not talking about a small, well crafted weapon with high yield. We're just talking about a weapon.

SEMMEL: Something beyond a dirty bomb is what you're referring to.

SHAYS: Yes, exactly.

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

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.

SHAYS: And ran against my predecessor. Actually, he was from Princeton.

DAVID: Yes.

SHAYS: So that's clear.

DAVID: So there are designs. There's 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 we keep...

SHAYS: Wait. When you say ingredients -- weapons-grade material.

DAVID: I mean the uranium -- 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 WMDs.

SHAYS: I don't want to draw a wrong conclusion, but I've been spending time since '98 in particular in my committee looking at this issue. And if I'm wrong, I want to be corrected.

But you know, when you hold enriched uranium in your hand and you could 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's what I was trying to develop, was where is the effort really important.

Mr. Semmel agrees that you could build a weapon. He agrees you have the technology.

I infer, Mr. Semmel, that they also -- it would not be hard to get the material to build a raw, inefficient type of nuclear weapon. That's what I had been told. I want to know if that's the case.

And, Mr. David, you're sending me mixed signals just a little bit, because you're implying that the materials to make the weapon would be -- we would be able to keep them out of the hands of terrorists.

I don't think we can. I think we can -- I think the issue really relates to one issue in the weapons-grade material. DAVID: What I had in mind is the strictures of 1540 enjoining countries from -- enjoining countries to past laws that prohibit their citizens to aggregate these materials for the purpose of making WMD.

SHAYS: OK. Well, let me...

DAVID: That's the sort of thing I had in mind.

SHAYS: But tell me if I'm wrong, and if you don't know, tell me that. And if I'm wrong, tell me I'm wrong.

DAVID: Say again?

SHAYS: If you don't know if I'm wrong, tell me you don't know. If you think that I'm wrong, tell me I'm wrong. It is my understanding based on the work that my committee has done that a terrorist could build a raw, inefficient nuclear weapon that would be actually a nuclear fissile 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'm 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.

TOBEY: (OFF-MIKE) that the greatest barrier to a proliferant attaining the capability to produce a nuclear weapon is acquisition of fissile material.

SHAYS: Yes. I don't want to get 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'm trying to do is build a case for the need to make sure fissile material doesn't get in the wrong hands. And I have constituents who think the bomb is the problem, the weapon itself -- excuse me, building the weapon.

I want this hearing to be able to illustrate if this is a problem or not.

TOBEY: I agree, we should focus on fissile material.

SHAYS: Because? TOBEY: Because that's the greatest barrier to a proliferant attaining a weapon, and it's the one which we can control most directly.

SHAYS: OK.

TOBEY: Hence we're spending...

SHAYS: And your definition of a weapon is the structure and the material together.

TOBEY: Yes.

SHAYS: But to build a bomb minus the fissile material is something they're capable of doing. Do you believe that's the case?

TOBEY: I believe so, yes.

SHAYS: Yes.

Mr. Semmel, what is your view?

SEMMEL: (OFF-MIKE) I think I said yes. I think it's possible.

SHAYS: OK. I just want to be clear.

Mr. David?

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.

SHAYS: Right. But a graduate student from some...

DAVID: Yes.

SHAYS: Yes.

DAVID: Correct.

SHAYS: And we do know that there are Islamists who have those degrees.

DAVID: Yes.

SHAYS: Yes.

Mr. Aloise?

ALOISE: Based on the experts we've talked to, it is possible that a crude nuclear device...

SHAYS: OK. So let's get that off the table. The real issue, then, is the weapons-grade material. And only as it relates to terrorism, 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? Or could they, in fact -- I mean, in other words, when we talk about -- and if I'm asking the wrong people, then just tell me.

The capability to create a crude bomb basically is -- our biggest concern is with enriched uranium. A nodding of heads won't get in the recorder here. If anybody wants to answer it, I'm happy to take it.

(UNKNOWN): Again, I take the same plea that Hans Blix did. I'm not a technician on this or...

SHAYS: Right.

(UNKNOWN): ... a physicist, but I think in what I've read, what I understand, that it would be -- enriched uranium would be the preferred source.

SHAYS: And, see, I'm 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, in a warhead. There you need the sophisticated weaponry. You need the plutonium and so on.

But I've been just focused primarily on our work on what terrorists can do, and that's 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?

(UNKNOWN): Well, in terms of creation, Mr. Chairman, as I'm sure you know, there are two paths for -- 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 is to enrich uranium -- very different paths.

They have different signatures. They require different technologies. And I think there are differences in our ability to monitor those activities.

SHAYS: Well, let me just ask -- OK. Does anybody agree? I don't need to go through it -- so what I'll assume is if one person answers the question, we don't need to go to the second person if there's 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 to weapons- grade material of choice for a terrorist, should there be different protocols to deal with that?

(UNKNOWN): We're interested in securing both weapons-grade plutonium and highly enriched uranium in our work, and disposing of each in our work with former Soviet states. SHAYS: What I'm struck with is, though, 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's where my mind is. Is there any comment about that?

Mr. Aloise, do you have any comment? Do you disagree with my assumptions? Let me know.

ALOISE: I'm going to have to pass on that question, Mr. Chairman.

SHAYS: OK. Anyone prepared to answer that question? Do you all know why I'm asking these questions? I mean, in other words, I'm looking at a little bit of confusion here, and I've been known to confuse people, but do you understand why I'm going down this road?

If I'm going down a road that makes no sense, I'm happy to have you correct me.

(UNKNOWN): Well, we're certainly interested in minimization of use of HEU throughout the world. We've 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're also concerned with weapons-grade plutonium as well and believe it's important to secure and dispose of plutonium.

SHAYS: Yes.

(UNKNOWN): I would agree with that, and I would also say that as far as I'm concerned, I don't know that I could draw the distinctions between the relative difficulty for very smart graduate students who are properly 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'm not sure that the -- about the gradations of making a plutonium weapon, and I don't think I'm qualified to comment on that.

SHAYS: Fair enough. Maybe our third panel will be able to express opinion on it.

Let me do this. Let me go to Mr. Van Hollen, and I've been over my time limit, so...

VAN HOLLEN: Thank you very much, Mr. Chairman.

Let me thank all the witnesses for your testimony and for your public service, and let me just -- special word about Mr. Semmel, who I've worked with early on in the 1980s -- 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, and want to thank him for his service, and 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. Khan and the information, the 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 able to sit down and talk to A.Q. Khan 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 United States government, to sit down with A.Q. Khan? The answer is no, right?

SHAYS: It's 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.

VAN HOLLEN: That's right.

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

(UNKNOWN): Short answer, we've learned a lot from A.Q. Khan. We have not had extended sit-downs with him.

SHAYS: And let me just interrupt one 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.

VAN HOLLEN: Has the U.S. government or official of the U.S. government, representative of the United States government, had the opportunity to sit down with A.Q. Khan to discuss the information technologies that he provided to Iran and Libya?

(UNKNOWN): That's a very sensitive question. I think we would have to get into closed session on that. I can just tell you that we -- to repeat that we have had lots of information that's 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 have to sit down and talk about that in a closed session.

VAN HOLLEN: I understand that.

Let me ask you this. Are you satisfied that we, the United States government, have the benefit of everything that you think would be useful to know from A.Q. Khan?

(UNKNOWN): Well, we don't know what we don't know, to begin with, and I would suggest and assume that there's information that we would like to have that we don't have now. We have to make that assumption at this stage of the game.

VAN HOLLEN: Well, let me just say, I mean, we've had President Musharraf here, and we want to thank him for his support and efforts with respect to going after Al Qaida 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. Khan. 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?

(UNKNOWN): No.

(UNKNOWN): That gets into another area that would be the -- was classified information, I think.

VAN HOLLEN: But that was something that Mr. Negroponte said on the record with respect to that time frame. Is there any information that would change that assessment, or are you...

(UNKNOWN): Whether there's information or not about the time lag for Iran to complete making its nuclear weapon is a subject that should be...

VAN HOLLEN: OK.

(UNKNOWN): ... discussed in a classified environment.

VAN HOLLEN: Let me ask you, Mr. Chairman, then, if there's been a change in this assessment, I would encourage us to seek a session in the Intelligence Committee room or...

SHAYS: Could the gentleman be clear as to what he's requesting?

VAN HOLLEN: Yes. I guess my question is if there's been -- if the U.S. government now has a different assessment with respect to the time frame in which Iran might obtain a nuclear weapon, I'd like to know that.

SHAYS: Fair enough.

VAN HOLLEN: If there's been a change in that assessment, whether or not there's been a change, if we have to go into a secret session, I think we should do that.

SHAYS: Yes, I think you're right.

VAN HOLLEN: Let me just ask the gentlemen -- there was a report that was issued by a -- staff report by the House Intelligence Committee. Are you familiar with that report?

(UNKNOWN): Yes.

VAN HOLLEN: OK. Have you had an opportunity, Mr. Semmel, to review that report?

SEMMEL: Well, I know of the report.

VAN HOLLEN: OK. Well, I mean, we have some of the people who are the top officials on non-proliferation here at the table for the administration, right? I'm not trying to be -- I'm just trying to get information out here.

(UNKNOWN): May I interject?

VAN HOLLEN: Yes.

(UNKNOWN): You are asking questions about -- that we get information from the intelligence community about. And perhaps the intelligence community would be a better source for asking information about the current intelligence.

VAN HOLLEN: All right. Well, have you had an opportunity to -- Mr. Semmel, you've had an opportunity to look at the House Intelligence Committee report?

SEMMEL: I think to be very fair about this, I have not read the report. I know of the report. There's 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've seen the response by the IAEA to the report, but I've not read it in depth. But I understand -- I see the commentary.

VAN HOLLEN: Right. Well, I mean, just for the record, as you 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 a 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 in the lead-up to the war in Iraq, and given the fact that the IAEA and Mr. Blix in his domain got it a lot more correct than the U.S. government, it would behoove us, it seems to me, to listen to the points raised by the IAEA.

And I guess my question to you, if any of you gentlemen know, is do you agree with the points that were raised by the -- and let me just say, this is a report that was released. I mean, I've got the report right here. This is not a classified report.

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 proliferation issues.

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?

DAVID: I haven't read the report, and I'm not going to quibble with one side or the other side of 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.

VAN HOLLEN: That wasn't my question, sir. I just want to make sure, because I think the intelligence assessments, I think as we've learned the hard way, are very important.

And 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?

(UNKNOWN): Yes. I would just say, Congressman, that, first of all, the report, as I understand the House Intelligence Committee Report, was derived largely from public source information.

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

VAN HOLLEN: Thank you.

Now, Mr. David, you mentioned your assessment with respect to Iran's intentions, and I'm not disputing your assessment of their intentions.

At the United Nations recently, the president -- President Bush, that is -- did make a number of statements with respect to Iran, and one of the things he said was -- and I quote, "we have no objections to Iran's pursuit of a truly peaceful nuclear power program."

And my question to you gentlemen is how would we go about designing a peaceful civilian nuclear power program in Iran that satisfied our non-proliferation concerns.

SEMMEL: Well, I think the first order of business is to get some confidence that, indeed, is a 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 that -- even come to any inkling of an inference that Iran is embarked upon purely a nuclear energy program void 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, this issue -- 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.

So I think before we can even get into that -- before we have confidence, we have to resolve existing problems.

VAN HOLLEN: I understand that. I understand that, Mr. Semmel, but that -- I mean, that was not -- this is not my statement. This is the president's statement. And 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'm quoting from his statement before the United Nations.

Now, I assume -- and I'm not saying whether that's a good idea or a bad idea, but I assume before making that statement the administration has done some assessment of 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 non-proliferation.

I assume the president and the administration did some assessment of that before he made that statement, and I'm just curious as to exactly whether or not you're familiar with any work that's been done on that question, and what the proposal is from the administration, some rough design for a program that would address that point made by the president.

(UNKNOWN): 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 of the -- 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. SHAYS: I thank the gentleman very much.

Mr. Duncan, you have the floor.

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

SHAYS: No, we're fine, sir. You just do your thing.

DUNCAN: Thank you.

Just a couple of brief questions. First of all, to all the gentlemen on the panel, I understand that you have very important positions in our government.

And from what I've 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 non- proliferation effort throughout the world.

Would you say that's correct?

(UNKNOWN): Yes.

(UNKNOWN): I would say so, yes.

(UNKNOWN): I take some pride -- I'm 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 non-proliferation organization in the world.

DUNCAN: Well, I think that's something we should be proud of, and I just wanted to put that on the record.

Mr. David, you said that you have no doubt that Iran is attempting to develop nuclear weapons. By now there's 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's just some sort of delaying tactic, or do you see any problems with talks of that nature if they're going on?

DAVID: I think it is very important that we exhaust every bit of diplomacy we possibly could exhaust to attempt to prove that Iran could be dissuaded from going forward on the path that I believe it's going forward on.

I don't know whether or not this hint of a 90-day suspension is real. We've 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're successful. DUNCAN: All right. Thank you very much.

Thank you, Mr. Chairman.

SHAYS: Thank you.

Let me talk about the IAEA. First off, it was my understanding that for about 15 years there was a zero-growth budget at the IAEA. Was that the fault of the United States, just a general decision of all the countries involved?

If that's changed now, are we the major proponents of increasing their budget, or are we tolerating the increase? Who could speak to that issue?

(UNKNOWN): I could start out on that. You're absolutely correct. I think for a period of perhaps 15 years to 20 years -- I don't know the exactly amount -- that there was a -- IAEA was operating in its regular budget at zero growth, and it was not until about three years, four 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.

SHAYS: Wait, even within the IAEA...

(UNKNOWN): Not within the secretariat -- opposition among other states-parties to the IAEA.

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?

(UNKNOWN): 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, the regular payments.

SHAYS: So we pay a disproportionate share in one sense.

(UNKNOWN): We do.

SHAYS: 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.

(UNKNOWN): Right. The increase would, of course, be -- disproportionately fall on the United States, since we pay already 25 percent of the regular budget. Other countries are reluctant to pay additional assessments to the IAEA, and they've resisted that.

It took several years of effort, in fact, to get the increase approved at the IAEA.

SHAYS: Now, we have candid criticism of the United Nations -- its failure to deal with a variety of issues. That's our criticism. It's 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 or new capabilities?

So 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.

ALOISE: First of all, I think the general view from the people we've talked to all over the world and in 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, this human capital challenge.

It is going to lose a large number of its safeguards inspectors in the next five years. And not only...

SHAYS: And that's a funding issue or a retirement issue?

ALOISE: Retirement issue. And some of that relates to IAEA's personnel policy. They have a mandatory retirement age. It's forcing a lot of people out.

And 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're beyond the retirement age.

And we've made recommendations in our report that IAEA -- State Department needs to work with IAEA to help change the personnel policy because it's working against them in many cases. For example, they need people who have expertise in uranium enrichment processes, and not even take any action -- they need IAEA to get these people.

Further, there is not that many students going through these nuclear studies any more, and the pool is shrinking of experts to choose from.

SHAYS: Thank you.

I'd like to hear from Energy, State and Defense on the questions that I asked -- you know, how the IAEA is doing, our government's sense of what it's doing. You heard me before, so I don't need to...

(UNKNOWN): 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're 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're working to do that with safeguards technology agreements with... SHAYS: OK. While you touch technology, let me just ask you, give me an example of different technologies and what we'd like -- what they'd like them to use.

(UNKNOWN): 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.

SHAYS: OK.

(UNKNOWN): Mr. Chairman, when President Bush made the now-well- known speech at the National Defense University in February of 2004, he laid out seven non-proliferation initiatives. Interestingly enough, three of them pertained directly or indirectly to the IAEA.

One of them had to do with what we've already mentioned here, the pushing for universalization of the additional protocol, the strengthened 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.

And there's a third initiative which this president also mentioned which we're 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 non-proliferation 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 -- make a voluntary contribution in the vicinity of around $50 million a year. And once again, we are the single largest contributor in the voluntary fund, and some of those resources go to improve safeguards.

And to address what Mr. Aloise said, one of the -- one small fraction of those voluntary funds also go to fund something called COF-3 experts (ph) 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, two years, 2.5 years. One of my colleagues was there for 2.5 years.

(UNKNOWN): I'd only add to what my colleague said that the committee on safeguards and additional protocol which President Bush suggested in 2004, 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.

SHAYS: Let me ask you, I've been to MIAC (ph), the facility. It was an amazing experience -- 40 hectares of property and a huge building on that property.

How much of the weapons-grade material in the Soviet Union actually is captured in that facility?

(UNKNOWN): I can't tell you how much, but I know they started putting it in in July, and we're really happy about that.

SHAYS: Yes. I mean, this is a facility, as I remember, football fields in size, very thick ceiling, I think 10 feet, more, tubes that go down about 18 feet. I mean, I don't think I'm talking -- the bottom line is it's going to hold a lot of material, baskets and all along the way.

But we're starting to see that capture some of it.

(UNKNOWN): Finally, in July, after -- as you know, it was a point of contention between Russia and ourselves for a long time that it wasn't being used. They are finally -- they actually finally started moving material into the facility in July of this year.

SHAYS: OK, and so the question I have, though, is is that a significant amount of extra weapons-grade material, or is it a small percent?

(UNKNOWN): As far as I know, it's 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.

SHAYS: And the question is do we get into any of the issue of the -- have we been able to express an opinion about the safeguarding of the transporting of this material to MIAC (ph)?

(UNKNOWN): We do, I believe, address transportation issues within Russia, yes...

SHAYS: All right.

(UNKNOWN): ... helped to fund securer ways to do that.

SHAYS: OK.

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

Let me just ask you about the Fissile Material Cutoff Treaty. The question I'm going to ask is how has U.S. opposition to international verification of the Fissile Material Cutoff Treaty undermined the Nuclear Non-Proliferation Treaty.

(UNKNOWN): Well, I'm not sure that it is, first of all.

SHAYS: I'm going to ask -- since my knowledge in this area is a little weak, I'm going to just ask that my counsel, our professional staff, participate in this. But that's the question I asked you. Why don't you answer it, and then I'll have them follow up? (UNKNOWN): Well, I would say, Mr. Chairman, that, in fact, if you were to ask other members of the conference on disarmament where this -- the FMCT, the Fissile Material Cutoff Treaty, has already been introduced. We have introduced the text in July as well as a mandate for negotiation 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 and the like...

SHAYS: When you say some countries, can you define...

(UNKNOWN): Some countries that would -- 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 we've -- the text that we've 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, that -- respond more directly to your question, that virtually everybody is happy that we've gotten this treaty -- this text introduced, for no

other reason than 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's 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's fast or slow, and whatever the nature of the (inaudible) might be, is the FMCT.

So there's a general -- I wouldn't call it elation, but 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're pleased. We're 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.

SHAYS: Mr. Aloise, can you respond?

ALOISE: I really don't have (OFF-MIKE)

SHAYS: Just a follow-up to that, then. Has the U.S.'s civil nuclear cooperation with India changed the F.M. Cutoff Treaty?

(UNKNOWN): FMCT. Well, it hasn't changed it, no, not at all. I think 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've expressed -- to be candid here, they've expressed the position that it should have a verification provision in it. The point is that they've already committed to work with us in terms of moving that FMCT treaty.

SHAYS: Let me just inject 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?

(UNKNOWN): Well, I think, again, to be candid, you get a scattergram of responses on that. A number of countries -- obviously, the French, the British and others -- are very pleased with this, and very supportive -- Russians as well -- on the FMCT.

And there are others who are raising serious questions. Those same countries are very supportive right now of the proposed U.S.- India civil nuclear cooperation initiative.

There are a number of countries that have raised serious questions. They'll continue to raise serious questions. We'll negotiate and try to respond to those in the various fora that are available to us, 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 what -- those issues that are being hammered out here 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, we would -- I think we will eventually get consensus on this and countries will be satisfied with the dynamics that have taken place.

SHAYS: Let me just quickly -- I mean, say quickly -- I could ask a quick question. It would 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, I mean, we need to do this?

(UNKNOWN): Well, yes, of course there was a debate. This is a fundamental decision. This is a significant...

SHAYS: Right.

(UNKNOWN): ... decision in terms of our foreign policy, as well as our economic policy and others. The big decision is -- I think that there might have been several -- depends who you talk to or 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 early 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 -- the most populous democracy, will someday in the next 15 years, 20 years or so be the most populous country in the world.

And our relationship with India over the past years has been correct but not necessarily warm, and so in order to improve upon that relationship, as the relationship between countries in Asia and South Asia have begun to change, it's 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.

SHAYS: Thank you.

Do you have any questions you'd like to ask? Yes, go ahead, Mr. Van Hollen.

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're going on North Korea.

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've got nuclear weapons. They tested a missile not too long ago. It wasn't that successful, but they tested it. And as you've all testified, or some of you testified, they decided to withdraw from the Nuclear Non-Proliferation Treaty.

Where are we going? Where are we going with respect to North Korea? They continue to have the -- you know, crank out the materials necessary to make nuclear weapons. I mean, isn't this a huge failure in our non-proliferation policy? And what are we going to do to fix it?

SEMMEL: Needless to say, it's difficult. Those who have negotiated with the North Koreans tell me that they're among the most difficult negotiators they've ever encountered.

Look, 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've 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, you know, sit down and talk and resume the six-party talks when they're ready. Now, the question is how do you get them to be ready. And it's hard to be able to discern what their real motivations are.

They say right now that they're not ready to resume those talks that were suspended September a year ago, actually a year ago this month, because of certain hostile behavior -- I think is the way they phrased it -- by the United States.

And this hostile behavior is -- as they point out, is the -- involves a number of financial sanctions that we've 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're 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. He 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's an intractable issue, and where it will end I'm not sure at this point.

(UNKNOWN): Just to add to that -- and I agree with all that Andy said -- we're working with the other five parties to 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're 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, I 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're taking will take time.

VAN HOLLEN: And just one last question on Iran. 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 non-proliferation at the State Department, the State Department formally announced the imposition of sanctions under the Iran Non-Proliferation 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, you know, make sure that no new technologies get into Iran that related to nuclear issues would they have the indigenous capability now to complete a nuclear weapons program?

Because I've heard conflicting testimony. I've 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 well, they've 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.

(UNKNOWN): I think on the imposition of the two entities, I think part of your question may have been 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 could tell you that in this case, putting this report together was -- required reading voluminous documents, I think well in excess of 10,000, involving interagency cooperation including the intelligence community on this.

The time that it took to put this together I think was extraordinary. It came in late. I don't think it -- 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 were -- had to be identified because of existing law. I mean, the law simply said we had to take this kind -- these steps.

And 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. And 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 the (inaudible) act.

On the other question, on the -- is Iran self-sufficient, my best guess on this is no, they're not self-sufficient at this point in time.

I think they would -- if they were to -- if there were a complete wall around Iran, they would not be able -- not able to import certain kind of technologies or information, or insights, for that matter, I think what you would have is that -- and I happen to feel that Iran is absolutely determined to have a nuclear weapons capability.

I think they're on a glide path that we've 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 a 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 table 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.

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?

(UNKNOWN): No, sir.

SHAYS: Let me then thank you all, Mr. Tobey, Mr. Semmel, Mr. David and Mr. Aloise.

And again, Mr. David, our country is grateful for your service. The Congress respects your service as well. And whatever you're going to be doing next week, we wish you all the best.

We're going to have a one-minute break and we'll go with our third panel.

(OFF-MIKE) Thomas Graham, chairman, Bipartisan Security Group, Global Security Institute; Mr. Baker Spring, F.M. Kirby research fellow for national security policy, The Heritage Foundation; Mr. Jonathan Granoff, president, Global Security Institute; Mr. Henry D. Sokolski, Non-Proliferation Policy Education Center.

Mr. Sokolski, am I pronouncing it correctly? How do I say it?

SOKOLSKI: Well, you've covered all bases.

SHAYS: I know. I want to know which one.

SOKOLSKI: I say Sokolski.

SHAYS: With the emphasis on the "So"?

SOKOLSKI: Sokolski.

SHAYS: Sokolski.

SOKOLSKI: There you go.

SHAYS: Mr. Sokolski. Got it right. Thank you.

And Professor Frank Von Hippel, co-chairman, International Panel on Fissile Materials. Did I pronounce your name correctly? OK.

Gentlemen, I know it's late. I don't do the five-minute rule as much with the third panel. I'd like you to -- if you waited the longest, I'll stay here till you make your statement. But we'll do the five minutes and I'll trip over another five minutes.

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 record 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, happy to have you do that as well.

So, Ambassador, thank you so very much. Thank you again for your patience. And you have the floor. Excuse me one second.

I did not swear them in.

I'd like you all to stand, please. Thank you. Raising your right hand, do you solemnly swear or affirm that the testimony you will give before this subcommittee will be the truth, the whole truth and nothing but the truth?

I note for the record that all five witnesses have responded in the affirmative.

Thank you very much for making sure we did that.

So now, Ambassador, I can believe what you tell me.

GRAHAM: Mr. Chairman, I have a short statement which I will read.

And 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. They explained to me what they did, and I'd be happy to talk about it later if you wish.

SHAYS: I would love that. I won't count that as your time now, so we'll make sure we ask.

GRAHAM: OK. All right. Paul Nitze was the archetypical cold warrior and nuclear weapons 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, quote, "I know that the simplest and most direct answer to the problem of nuclear weapons has always been their complete elimination," close quote.

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-earning system to continue to make correct judgments, quote, "risks an Armageddon of our own making," close quote. 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 weapons 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.

And now in the wake of nuclear programs in North Korea and Iran and the A.Q. Khan 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 in 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 understated.

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 six 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 fostering the development of a 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, quote, "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.

SHAYS: Thank you, Ambassador, for your thoughtful statement. We appreciate it.

Mr. Spring?

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's any more important security problem facing the United States than this today.

I'd like to focus my remarks on the recommendations of the U.N. Commission on Weapons of Mass Destruction. You 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's essentially a mixed bag. There are some recommendations in the commission report that think are very positive and valuable with regard to what U.S. policy should be toward nuclear non-proliferation as well as potentially other weapons 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 weapons 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 non-proliferation, one that is the NPT track that's 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's been addressed by this hearing in detail, also addressed by the commission report, which is the special threat posed by terrorists with weapons 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. And 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 that's to be commended.

Continuing the Russian-U.S. nuclear arms control process -- the United States is continuing to do that. I think supporting the administration in its engagements with Russia which occurred earlier this month, as I understand it, regarding the future of (inaudible) 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 one addressed by Ambassador Graham. The temptation to move directly to comprehensive nuclear disarmament, I think, is wrongheaded.

What they're basically saying is that we're having trouble in the non-proliferation regime, let's move the goalpost further down the field in the hope that we would somehow achieve those goals more quickly.

I think that's 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've 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's 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 non-proliferation 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 holdover deterrent from the Cold War. I think we need to look at making sure that 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. And 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 weapons 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.

SHAYS: Thank you very much.

Mr. Granoff?

GRANOFF: Thank you, Mr. Chairman. First, I want to extol not only your virtue of courage but your extraordinary endurance.

And I'd 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'm permitted.

SHAYS: Yes. No, we'll put that in the record. Thank you.

GRANOFF: Thank you.

SHAYS: And just for the record, this is a very interesting hearing, so I could just tell you we're very grateful that you all have had the patience. We get to participate to stay awake.

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 a 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, in my soul. And so I consider it an enormous honor to be able to address it here in these hallowed halls.

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 weapons 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.

And this will not be obtained if some states flaunt their disarmament obligations yet display a singular passion for non- proliferation. 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 non-proliferation. And here are five.

The Fissile Material Cutoff Treaty -- and we commend the administration for putting it forward. But for it to be effective, there must be 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 time to end launch on warning. The U.S. and Russia should follow the admonition of candidate George W. Bush, who clearly said we, and I quote, "should remove as many weapons as possible from high- alert air 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," end of quote.

Comprehensive Test Ban Treaty -- Comprehensive Test Ban Treaty would check the -- that would prevent the miniaturization of immature arsenals. It would constrain refinement 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 after review in 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 weapon. 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 forswear 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 weapons states-parties to the NPT.

Moreover, during the Cold War we justified our 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 weapons 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.

And 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.

SHAYS: Thank you, Mr. Granoff.

Mr. Sokolski, thank you.

SOKOLSKI: Thank you, Mr. Chairman. I'm a little humbled. This is quite an assembly you've put together of experts. It's an honor to be here, and I thank you for holding the hearing.

SHAYS: It's an honor to have you here. And it is an assembly of some very fine experts, so thank you for being part of it.

SOKOLSKI: I want to talk about the topic that you've assigned us. I guess my message today is that your hearing is perhaps too timely. I say that because the non-proliferation provisions in the NPT have pretty much been watered down for a long time.

And they've been overshadowed, I think, too much by many countries backing the most dangerous and uneconomical forms of nuclear energy. I think you heard some expressions of that enthusiasm, though muted, here today.

What's worse, since the early 1990s we and our allies have shied away from enforcing the NPT against the world's worst proliferators.

Now, sadly, I don't think there's any technical or really any simple diplomatic substitute for these treaty-based systems, particularly the NPT.

I think that's why I've spent so much time both in my service on the Hill, the Defense Department, and advising the CIA and in running my own center on commissioning research and looking into how to make the non-proliferation provisions of these rather weak institutional barriers, the NPT and the IAEA, much more effective.

We've commissioned at the center that I run, the Non- Proliferation Policy Education Center, a good number of analyses over the last, I'd say, four years or five years. Today what I'd like to do is just give you four of the key findings of this research. First, I think if we're to do better, we really need to clarify what the NPT protects as being peaceful.

A key reason why the non-proliferation provisions in the NPT have become more difficult to enforce is that most nations, including Iran, North Korea and, I hate to say it, the United States 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 4.

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 3 -- 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 program.

Certainly, building commercial nuclear fuel-making plants which could bring nations to the bring of having a bomb is hardly a per se right under the NPT.

Actually, if it's 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's growing, but it's puny.

To give you some idea, we spend 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 a 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 dollars.

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

The last 20 years, the agency safeguards budget has 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 20 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 -- that is, 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. And I think Mr. ElBaradei is to be commended for coming as close as he has to admitting it.

SHAYS: I want you to be very specific. They should admit what publicly?

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 or when the material was missing.

SHAYS: I've been here 20 years, and I'm still trying to understand what the bells mean, but it's usually not something good. Keep going.

SOKOLSKI: 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 it. Right now, you can't.

And the administration isn't entirely candid about this, because it only says well, you could hide the whole facility. The truth is if you knew where the facilities were, you would not be able to know on 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 facility, literally to, I don't know, scores of weapons' worth, in the case of one of the large facilities just brought online in Japan.

So it's kind of like keeping track of the funds at Enron. If you don't know what they're making, you don't know what they're stealing. And that's where we are. And people need to come out and admit that. They're not.

Third, governments must put security first. By the way, I do make recommendations for increasing the IAEA's budget, and it should be based -- 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, that has 18 reactors. There's something perverse about that. You've got 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. And so you've got to make the distinction. You've got to give them the money where they need it and encourage them to be candid where no amount of money's going to make much difference for the time being.

Third, governments must put security first instead of subsidizing on economical dangerous nuclear energy projects. Concern for nuclear security has increasingly taken a back seat to states' encouragement of economical 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, crude nuclear weapons' worth, of plutonium there annually.

Other equally problematic nuclear fuel-making operations are under way 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 for the next 10 years to 20 years.

If 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-making...

SHAYS: Let me do this. I think I need to interrupt you and make sure we get to Mr. Von Hippel.

SOKOLSKI: Yes, let me stop right here, then.

SHAYS: OK. Thank you.

SOKOLSKI: Sorry.

SHAYS: Mr. Von Hippel, let me just tell you -- and I'm going to give you a choice here. I am coming back after my votes. I've kept you here all day, so I'm not expecting that you would have to stay, but whoever stays, even if it's one of you, I'll be back to have a dialogue, because frankly, I think you can help put these pieces together that the other two panels have introduced and so on.

So what the bell meant was four votes. But, Mr. Von Hippel, we have time to -- Professor, excuse me, and Doctor, we have time to have you make your statement.

VON HIPPEL: OK. I'll make it in five minutes.

SHAYS: No, you can go over a little bit. We'll be fine.

VON HIPPEL: Thank you. Well, thank you for holding this hearing. I'll organize my statement into why the NPT is important, why it is in trouble, and what the United States can do about it.

Why it's important -- the NPT embodies an almost universally shared recognition 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- weapons 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-weapons states are increasingly reluctant to accept additional restrictions when the United States has dropped any pretense of making irreversible nuclear arms reductions.

The non-weapons states won't pay attention to our priorities if we don't pay attention to theirs. In June I saw how angry this dialogue of the (inaudible) 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've indicated, that highly enriched uranium can be used by terrorists to make improved 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 -- of the agreement in 2000 was -- called for immediate commencement of negotiations on an effectively verifiable treaty banning the production of fissile materials for nuclear weapons or other nuclear explosive devices.

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

Now, with respect to what the United States can do, I'd 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. The U.S. also has to support an internationally verified fissile cutoff, not oppose it, as we do today.

We can't require that non-weapons 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's much better than nothing. Recall the first President Bush's insistence that under the chemical weapons convention international inspections should be possible anytime, 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's almost always at the top of the list for non-weapons states. The U.S. Senate refused to ratify a 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 U.S. nuclear stockpiles are 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 1,000 warheads each -- that's 1,000 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 colleague's 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 a 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. non-proliferation 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.

SHAYS: Professor, I have about four minutes, which is still enough time, but if you could kind of close up.

VON HIPPEL: Yes, I am.

SHAYS: Great.

VON HIPPEL: I'm just down to my last half page.

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 at 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 a negligible hazard.

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

I'd 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.

And then just finally, on how we...

SHAYS: Yes, I have now 2.5 minutes.

VON HIPPEL: OK, but you really wanted to know the answer to this question.

SHAYS: Yes, OK. Go for it.

VON HIPPEL: How hard is it to make a nuclear weapon? John Aristotle Phillips...

SHAYS: Are you going to stay or do you need to leave? Because I'm coming back.

VON HIPPEL: I have a 9 o'clock flight from Dulles.

SHAYS: Well, then you're fine. You can stay. Let me do this. My staff can tell you where you can get a sandwich. Any of you that -- you have to stay, because I want to know how you do it.

VON HIPPEL: Yes.

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'm not going to do that.

But I think I have another 25 minutes before I'm back here, and I will be back here. And I think Mr. Granoff will be back here, so I'm definitely back here.

Thank you. We're at recess.

(RECESS)

SHAYS: I call this hearing to order, and what I'd like -- I'll let you, Professor, tell me the issue you wanted.

And, Ambassador, I'd like to just have you tell me what I would like to hear from there.

But in regards to the issue, this is the point I'm trying to make. We've always known people could learn how to make a weapon, so to me, the issue is not is there all the documentation, if you're a bright student can you do it.

The question is what I learned, that I need to be disavowed of if it's 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.

So, Professor, I'll have you start out on it.

VON HIPPEL: You're absolutely right. In fact, it's so easy to make a nuclear explosion -- and it's not necessarily low yield; we're 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. So that's pretty easy.

Now, when you were talking about the Princeton undergraduate, John Aristotle Phillips, he wasn't a student of mine, but...

(LAUGHTER)

VON HIPPEL: ... he did this as a project for a course of a colleague of mine.

And it's 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 could do a -- they're smart enough to do a plutonium bomb, which is an implosion bomb.

In fact, the Hiroshima bomb was not designed as Los Alamos. It was designed by an assistant professor and a couple of graduate students in Berkeley the summer before.

The whole Los Alamos, you know -- you know, the heads crashing and hair tearing was devoted to the plutonium bomb. But the plutonium bomb is not necessarily out of reach of terrorists either. It's more difficult.
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?

VON HIPPEL: No. Well, the plutonium...

SHAYS: I don't mean the plutonium. I mean...

VON HIPPEL: No. No. In fact, Phillips, when he went to call up Dupont, what kind of explosive do I use, they were happy to tell him what kind of explosive to use.

He went to the National Technical 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 (inaudible) with a stack of documents.

So in fact, it was referred to in the testimony before. This was given as a project to some -- by the way, Phillips didn't do it right, despite his claim. He actually made a mistake in the design of -- this is beyond the ordinary undergraduate, but it's been done by graduate students correctly -- the plutonium weapon.

And 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 '70s.

And he was concerned about the U.S. going to a plutonium -- at that time, the U.S. was pushing toward a plutonium economy. And he was very concerned about having plutonium used as commercial fuel -- and you know, by the millions of bombs' worth is what people were envisioning at the time.

And 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's more difficult, but they -- you shouldn't ignore it.

SHAYS: Yes. Let me just go to -- Ambassador, you were going to tell me up front -- and then I'll get off of this issue, but I'd like to just get it off the table here.

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

SHAYS: Can you give us a time frame?

GRAHAM: Hmm?

SHAYS: A time frame of when you were there.

GRAHAM: Oh, yes, I will. I headed the U.S. government efforts to permanently extend the Nuclear Non-Proliferation Treaty in the 1993-1995 time frame. 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 two 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 the then-shut-down nuclear enrichment plant that they used to make the HEU. And then they took us over about 10 miles away to Wallendaba (ph), 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, and 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, and 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 -- sorry, I've got that wrong -- we spent on this program $25 million and had 150 people working on it, including the janitor, and 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, 20 kilotons, but we didn't need to test them because we used the gun barrel design, you're the first Americans to see this other than those two on the International Atomic Energy inspection team.

And we're 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.

SHAYS: The rest is really easy?

GRAHAM: 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's a country that had direct experience doing it.

SHAYS: Mr. Sokolski, do you want to comment?

SOKOLSKI: I think that's 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's 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's that easy.

But you are not talking about very much, and in the case of plutonium I don't think we should look at this as well, one's more difficult so they'll do the easier, number one. But number two, so we'd be OK if the terrorists 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're in a world of worry.

I think in addition you need to understand again something which there's been not very much candor about in the official world. And when I worked in the government I had the same problem over at 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-size facility that enriches or 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, you know, land with Black Hawk helicopters or whatever they do.

Depending on how you see that, it changes everything as to what you do.

SHAYS: Let me ask you -- first I'm 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 non-government organizations, have their own institutions and so on.

So I really appreciate the fact that you all stayed. Thank you very much.

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

SPRING: I was going to make exactly the same point, that Mr. Sokolski just made; that is, that I'd be a little bit reluctant to try and, on the basis of probability, say OK, we're going to focus on the terrorist threat and 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 we -- these guys are too unpredictable to say OK, we can sort of neck 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.

SHAYS: Let me do this.

Professor, is there anything you want to say before we get you on your plane? Yes, I think we'll get you on your plane. And I thank you so much for coming. It's very appreciated. Nick is an expert at getting taxis.

Follow that man right there. And let's have this on the record. My staff director is helping him get the taxi. OK.

Do you need to leave, Ambassador? Thank you very much for coming. Is there any last comment that you would like to make for the record? Why don't you use the mike? If you would, just use the mike. If there's anything you...

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, and I thought the questions were really excellent. The answers were good, too. But the questions set the tone of the hearing and 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.

SHAYS: Let me just say this to you. If I'm back in this place, and I hope to be whether I'm in the majority or Mr. Kucinich, we both agree that we need to be bringing this up to a different level.

And you're going to see next year, whether whomever -- but we're going to pursue this big time, because it's a huge issue, and it's not getting the attention...

(CROSSTALK)

GRAHAM: These are very big issues, and Congress rarely has the opportunity to address them in a detailed way such has happened today.

SHAYS: Thank you very much, and travel safe.

GRAHAM: My pleasure. Thank you.

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 know, you disagreed with the things that were said? Is there any points that you want to make?

Mr. Spring?

SPRING: I think that Deputy Assistant Secretary Semmel addressed this in his opening statement a little bit, but I'd 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 6.

I just don't believe that. I think that the -- and the Blix commission talked about the disarmament process being in disarray. I don't believe that it's 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 arsenal -- the numbers of nuclear weapons were going up during the Cold War, and they're coming down now, and they're 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're somehow sort of ignoring these obligations under Article 6 when they're coming down.

And so I think the United States has quite a bit to be proud of with what it's done in the arms control field.

There's a tangential relationship between strategic arms control between the United States and Russia today and non-proliferation policy, but I think that generally that's a positive relationship, in my view, so that I think that I'd be a little bit reluctant to denigrate too much the position the United States has taken in that field.

SHAYS: OK, thank you.

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

GRANOFF: I disagree very vigorously that it's -- it's a little more sophisticated than that. Article 6 is part of the law of the land, as you know. Article 6, Clause 2 of the Constitution makes treaties the supreme law of the land, and Article 6 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 five- year review conferences at which the commitment to nuclear disarmament and the steps in that direction would be reviewed.

So 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 6 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 6 would not be reviewed.

Now, that alone does not constitute bad faith or non-compliance, but the failure to put forward another route of fulfilling Article 6, I believe, puts us in a legally precarious position.

SHAYS: Just us, or everyone? The question was put to us, or the other four as well?

GRANOFF: Well, 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 4 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 4. That to me would be clearly an effective and useful non-proliferation aspect. It never got discussed.

Creating a secretariat for the NPT so that it could have a corporate memory never got discussed. Creating some way of having some body at which complaints of non-compliance 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 non-proliferation side of the equation without putting forward an alternative route.

And I think it's our obligation to do that, and I feel more comfortable criticizing my own country, where dissent is part of our system, than criticizing others.

SHAYS: I hear you, but the bottom line is all five need to be taking action. The burden is on all five, correct?

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

SHAYS: I'd like you to -- Mr. Sokolski, I would like you to respond.

But then I would like to ask all of you -- I'm not hearing clearly the comment -- I'm not interpreting clearly the comment that parties that aren't part of the nuclear family have a right to expect that we do more, and because they're 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 -- they're doing something. I'm not quite sure what we're saying they're doing.

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

SOKOLSKI: Yes, I want to make sure I understand the point you just made.

SHAYS: Why don't you answer your question first, and then...

SOKOLSKI: OK. I don't think it's -- my reading of the history -- and I have written a history that's been published of the Non- Proliferation Treaty effort -- doesn't quite correspond to this. It's different.

SHAYS: To what, Mr. Granoff's comments?

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 6, 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 4, which says -- excuse me -- well, actually, three lenses -- Article 4, which says everyone has the right to develop nuclear energy in a peaceful fashion, and then there is the first two articles, which say 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. And what we've heard is well, you really ought to -- you shouldn't emphasize the Article 6, you should. I think you're 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 4. The reason why -- it's 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.

The reason I think that's 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're really going to encourage people to get into fuel-making.

None of the people on the administration witness lineup focused on the problem that the IAEA has and what it can and can't do. Regrettably, Mr. Aloise didn't speak enough to that, except for the staffing point, because it's 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's 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 4 but indirectly, I would argue, Article 6.

There is no way the United States and the nuclear weapons powers are going to disarm. Other people are hedging their bets and getting right up to the edge of getting bombs.

SHAYS: It is pretty alarming, though, to think that we can't keep track. I mean...

SOKOLSKI: Well, I keep emphasizing, because you're right. It is pretty alarming. There ought to be a law. You ought to be concerned. You ought to be having hearings. And I'm telling you, it's like talking about something that's politically incorrect.

SHAYS: If the United States had signed the Kyoto treaty, would it be possible for us to move forward without extensive nuclear power?

SOKOLSKI: I think the short answer is you'd have to, because...

SHAYS: You'd have to have...

SOKOLSKI: You'd 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're not going to be able to substitute everything with nuclear.

SHAYS: OK. Well, OK. I'm not sure I understood your answer.

SOKOLSKI: The point is that the nuclear industry would like you to believe that the answer to all problems in transport, you know, relying on oil, coal pollution caused by, you know, making aluminum and fertilizer and everything else can all be taken care of by putting nuclear reactors everywhere.

That's a great thought. It's just practically impossible to do.

SHAYS: OK. But for a variety of reasons, we can't deal with the waste and, and, and, and and?

SOKOLSKI: You can't build them quick enough, and they can't be applied to everything that way, because it's just -- the economics aren't there.

SHAYS: But there's no avoiding the fact that Europe is attempting to deal with this issue through nuclear power, correct?

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 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.

SHAYS: Let me ask you, Mr. Spring, do you have a position on the issue of nuclear electric generating power? I mean, do you believe...

SPRING: (OFF-MIKE)

SHAYS: OK.

SPRING: ... qualify my remarks, that I'm not an energy specialist. We have a separate analyst at Heritage that looks at that.

I would say this, is that I -- is I certainly share Mr. Sokolski's concerns about Article 4 and what we do in that in the proliferation risks associated with the generation of nuclear power which is expressed as a right in Article 4.

And as a free market economist, which Heritage Foundation generally is...

SHAYS: What do you mean generally? It's synonymous with.

SPRING: ... is that if you're subsidizing this stuff, then maybe you're 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 yeah, 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 reasons or for not incurring non-proliferation problems?

I think that my answer is we can have the agreement, but I'm not sure that it would make sense to exercise it in the full panoply of what it would allow.

SHAYS: Well, let me use this to segue, since you mentioned Iran. You heard the responses in the other two panels about Iran. I'd like each of you to give me your take on what Iran is doing, number one, and number two, what we should be doing based on what they're attempting to do.

And I'll start with you, Mr. Granoff.

GRANOFF: I think Iran is hedging. I think Iran is untrustworthy. I think we can learn some lessons from Iran.

Iran's spoofing and non-compliance 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 4 privileges.

You can't apply that retroactively. We haven't shown that they have -- that their program was designed for weapons purposes, but there should be a rule that this sort of conduct is simply intolerable going into 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 ask somebody to cooperate and foreclose a potential military option in the future, and then on Wednesday say we're going to have regime change again. It's 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 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've 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're a very hazardous country.

But I also look at the demographics, which are that there's a lot of young people there. So I think the extent to which we can dialogue 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 sparks out of a volcano or a canary in a mine shaft -- that 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 4 to break out.

The atomic audit of the Brookings Institute that -- we have spent approximately $5.7 trillion dollars on this venture without real public debate.

SHAYS: What venture?

GRANOFF: The venture of building nuclear arsenals in our country alone. That doesn't even go to the whole world -- $5.7 trillion. Stephen Schwartz, who led that, informs me that we're 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's a country that has a martyrdom mythos, and they will die before their honor will be compromised, so...

SHAYS: It's 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 Khartoum, to hear -- excuse me, when we were in North Darfur, to hear the 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's just very interesting.

Mr. Spring, what's your answer to this question about Iran?

SPRING: My answer to this is that I think the Iranians are, in fact, seeking a weapons capability, and I think that they are playing the politics of energy at the Security Council to try and frustrate any efforts at enforcement that the non-proliferation regime lodges in the Security Council.

And 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 has a very important role to play.

SHAYS: The regional element is, but my reading -- and that's 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 advisers -- you know, some are already hedging their bets 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.

And I have no faith that our Western allies will back us up, and so it's an embargo done just by the United States. So I know what you're trying to accomplish. I just don't see how we can get it done. I really don't see how we'd get it done.

SPRING: No, it's going to be very difficult, and that's why The Heritage Foundation has put so much effort into this nuclear games exercise -- in my full testimony it's referred to -- that presumes a nuclear setting, presumes a proliferated setting, seven players, to look at the dynamic of how these states would interact, not with the idea that oh, 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 overestimate their value initially, without question. It's just unbelievable.

SHAYS: And underestimate cost?

SPRING: And they underestimate 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.

SHAYS: Right.

SPRING: But in a seven-player environment, I would say that it's even worse. Now, the...

(CROSSTALK)

SHAYS: And the seven-player environment is -- you're not including India or Pakistan? What is the seven-player environment?

SPRING: Well, the seven players can be applied to any region. The first study that's on our Web site looked at it in a model, not exactly duplicate, but a model of the East Asian, with North Korea, China, Japan, Taiwan, the U.S. and Russia essentially being players of, you know, unequal strength.

And we have drafted 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.

SHAYS: Mr. Sokolski, did you want to weigh on this issue with Iran? And then I'm 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 nuclear weapons? Why don't you tell me how you think we should be dealing with Iran.

SOKOLSKI: First, seven sounds pretty good to me. You're looking at a world that's going to have seven, seven, seven and seven.

1914 is your model, trying to keep track of a lot of folks gaming the system, thinking that a quick war or whatever they've got in the way of military capability will win if they get in trouble, and if 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 is what we have to worry about.

So I think that's the reason why he's 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 better be listening, because that comes hard. Am I right? OK. I mean, here you are. You're on a panel with, you know, somebody probably -- I'm thinking probably doesn't vote Republican, right? I'm talking about you.

But they're agreeing on something. And I think that should be noted.

SHAYS: Well, they're just agreeing in terms of how to deal with Iran, though.

SOKOLSKI: Well, let's get on with that.

SHAYS: They want to deal with Iran, but they're going in two different directions.

SOKOLSKI: Well, but let's get on with that. 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 four years ago.

And these people are listening and innovating. And when they're right, we should back the French. And I can get you more information on that. It's even cited in the testimony. But that is what you're referring to, the (inaudible) paper that was given at the end of the NPT review conference. I see nods, so that's one.

SHAYS: OK. Speak to about what Egypt and Saudi Arabia does.

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've got pipeline problems. And by the way, they do. But oh, by the way, since they were involved in all those Pakistani playing -- I guess what you call that Khan problem, they're also folks who, when they look at the European Union, which they probably are never going to get into -- I mean, think about it -- 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 --

SHAYS: What's not a problem?

SOKOLSKI: Egypt. Egypt's already announced that they want to get more nuclear energy. And that is code for the bomb. It's clear as day. Now, the people at this table and, you know, the panel one or panel two probably wouldn't say that.

But if you talked to Egyptians about that speech, and I can get you people who read Arabic, they will tell you that that speech a few days ago by the heir apparent, Mubarak's son, is a signal: We're 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 arcs. 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's the reason why Europe is getting a little nervous, because pretty soon, believe it or not, they're going to be in range with the latest follow-on, the (inaudible) Shahab-4.

SHAYS: Well, you could fool me that they're getting concerned.

SOKOLSKI: Oh, no. Look, I was -- you know, the French government paid to have me come out and talk with people in the defense ministry about an entire...

SHAYS: That's shows they're desperate, right?

SOKOLSKI: No, no -- well, it does that, too, I'll agree. But I had sort of a 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, but someone told me. We play checkers, probably, compared to them. And what you've got to figure in chess is you've got to be able to think three moves minimum. If you don't think three moves, I understand you can't play the game. You're just a victim.

We're thinking one move, practically. The moves you've got to think about -- and here are some things you could do. You asked what we should do. First of all, in the international basket, the IAEA has a right under the additional protocol to what's 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'll be crappy sensors, don't get me wrong; this will not be a silver bullet -- but there's nothing -- they have not even done a bad job at standing up a wide-area surveillance capability.

They need about $10 million to $20 million to $30 million. Guess what? They can't raise it because, well, nobody -- everyone would be upset if we raised the fees. A spotlight needs to be put on that. That's outrageous.

SHAYS: Well, is the implication -- and I want to get to the other members. Is the implication in terms of raising dollars that while we're willing to put some more money in, there's very little concern on the part of the other member nations to contribute?

SOKOLSKI: I don't think there's 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 underrate what certain elements in those governments are willing to do, because when I talked to them they were interested about the very thing that I think someone here took offense to.

Maybe we need to build up 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's that oil that we've got to worry about -- maybe we could ruin their day by surviving such an embargo and imposing it.

And 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. It means connecting certain pipes. It is not heroic.

SHAYS: Let me just get to North Korea. Did you want to say something briefly?

GRANOFF: Briefly, Resolution 687, which was the enabling resolution of the Security Council for the first Gulf War, and Section 14 called for creating a weapons-of-mass-destruction-free zone in the Middle East. Iran has been calling for that. Egypt has been calling for that. And we've just simply been ignoring it.

SHAYS: Does that mean that -- and what does that mean, that Israel has to basically...

GRANOFF: Well, obviously, Israel's 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.

SHAYS: OK, but does it impact the United States? In other words, what, that I make assumptions that we don't have a nuclear weapon on our carriers or -- well, and maybe I shouldn't on the submarines, so...

GRANOFF: Well, 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.

And I think it's time -- veritus fortissima. I think it's time to put the truth out. Israel is not going to join...

SHAYS: So but it's primarily initially dealing with Israel, is what I was trying to...

(CROSSTALK)

GRANOFF: Exactly, and of course, that's Egypt's subtext when they're saying they want to have a weapons-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 Shia country. They still live with the shadow of Karbala over their heads. They haven't given that up. It's still a very -- it's like Sherman's march. It happened yesterday for some people.

And 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 weapons of mass destruction don't proliferate.

And I think we should take advantage of that because I think it's a good thing to stop it.

SPRING: Well, they all do. 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 think Blix had a better idea, which is no reprocessing, no enrichment. Once Israel admits it has nuclear weapons, all hell will break loose. Particularly the Egyptians will feel like they have to get some if they even admit it.

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 -- and then 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 has so much material close to being weapons grade that they -- and that's because what, of their nuclear generation or their other activity?

SOKOLSKI: We gave them a green light back in the '80s, when I first came here and worked for -- I think it was Senator Gordon Humphrey -- so that's a long time ago -- there was an agreement that we reached with Japan that let them strip out weapons usable plutonium from spent fuel as a fuel -- spent fuel management technique. It wasn't economic; still isn't.

They've gone ahead and as a result they're piling up tons of weapons usable plutonium. And they can't figure out what to do with all of it. And the Chinese look 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.

SHAYS: But that's why, you know, the United States gets criticized for acting unilaterally, and we want North Korea to act multilaterally, because we believe that Japan and China and Russia and South Korea have something at stake here.

And the irony is that we're getting criticized for it, which is really amazing to me.

SOKOLSKI: Well, I think it's 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.

And I think there needs to be a flash of candor that everyone is sort of saying subtext, which is ultimately you're going to have to wait North Korea out, much as you did with the Soviet Union. I mean, it's not going to be a...

SHAYS: Well, no, no. We're not going to wait them out if they're going to develop a weapons program and then Japan decides they have to.

SOKOLSKI: Well, that's 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's either rewarded or we do nothing when it violates, number one.

Number two, yes, hold Japan close. I'm sure, you know, our friend from the Heritage has lots of suggestions on how to enforce the alliance with Japan. And second of all, take a page out of the suggestion made right here. I think you mentioned China. Perhaps it's 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're not focusing on that topic.

SHAYS: Mr. Spring, what about North Korea?

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, have 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 -- that is, Japan has as close a security relationship with the United States as I can remember right now.

And so that 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 the same nuclear game I'm 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 overarching 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 non-proliferation and arms control efforts that the U.S. was pursuing diplomatically.

And we kept diplomatic records of what was going on, so that 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'd look at it, to say OK, even though all these other countries have nuclear weapons that's presumed in this game, I'm going to get rid of mine, I'm just going to get rid of them.

SHAYS: Mr. Granoff? GRANOFF: I had the privilege of being the guest of Kim Dae Jung and Mikhail Gorbachev in June, this past June, in Kwangju, 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 two weeks of deliberations specifically on these subjects. And 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's 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 business men 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 non-proliferation aspects of the NPT. They know that if they were to have unification with nuclear weapons that Japan would be forced to follow suit, et cetera.

So the kind of proposals that these learned people in the region informed me of -- and I've shared this with the committee in my submission -- talked about increasing trade. There's 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 was there's 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.

SHAYS: I'd 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, and they're -- but when I look at Japan, they could have a nuclear program, and it's a program -- it's quite different -- you know, it's 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? (UNKNOWN): Sure. Sure. You have the reprocessing going in weapons states, so that's good news.

SHAYS: Well, yes, OK.

(UNKNOWN): You have Netherlands, Germany doing enrichment, which means that 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 program.

Canada, Australia have voiced interest in making sure they get on the right side. So I think you've got 15 years. And if you...

SHAYS: Well, in a sense, isn't that just as concerning, in a sense...

(UNKNOWN): I've 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. And now the bill is starting to come due, because people are saying well, why not us.

SHAYS: 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.

And they're seeing a number, particularly Western European countries, some of the more developed South American countries -- I was thinking well, at least (inaudible) South American countries -- at least South America is a nuclear-free zone.

But what you're telling me is...

(UNKNOWN): No, sir. I know too much. I worked in the Pentagon dismantling programs secretly with the Argentine 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's all good and well to hope that no one that renounces will ever change their mind again, but we're all human.

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 you want to emphasize to make sure that we get it?

And I'll start with you, Mr. Sokolski.

SOKOLSKI: I guess since I talked so much and I went over, I'm only going to make one request. We're having a meeting co-sponsored by the French government. One of your staff wants to come. I hope he can come.

SHAYS: And where is that meeting?

SOKOLSKI: In Paris, and we are actually getting a congressman to come, so he wouldn't...

SHAYS: And when is that going to be?

SOKOLSKI: The 13th. That's the problem.

SHAYS: The 13th of?

SOKOLSKI: November.

SHAYS: Well, we'll see to get a staff there.

SOKOLSKI: All right. Now, I get a percentage of his pay, don't I?

SHAYS: Well, you know what? I'm sure it will be an excellent conference.

Mr. Granoff?

GRANOFF: Yes. I'll be leaving here and going to Ottawa tomorrow for a gathering of 25 middle power countries.

SHAYS: I thought you were going to ask me if you could be one of my staff so you could go to Paris.

(LAUGHTER)

GRANOFF: I'd be honored.

SHAYS: You're not thinking.

GRANOFF: I'd be honored. Twenty-five middle power 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 6.

In fact, it's called the Article 6 Forum. It's convened by the Middle Powers Initiative. That's where Dr. Von Hippel was flying off and Dr. Blix as well.

SHAYS: Where is that going to be?

GRANOFF: Ottawa. Foreign Minister McKay will be giving an address on Thursday morning. And the focus will be exactly what we're 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 of the -- 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 indicate the backing away from that moral condemnation of the weapons and seems to indicate that it's 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 one 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 writ large, it's not the weapons, it's the people. But with nuclear weapons, I think it is the weapons. I think that they're 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's 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've built this edifice of destruction.

So I think that if we say what are the criteria for building that edifice, are the steps -- do they 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's a compass point, not something we can reach overnight.

But if it follows on that compass point, I think we have to say that's in our interest. If we don't, we're going to be breeding incoherence. The Middle East -- now that we've legitimized Pakistan's weapons, why would there not be a Middle East treaty organization like NATO with nuclear shearing?

What's our argument against that? It's dangerous, it's destabilizing? 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's in our security interest, and that's the right thing to do.

SHAYS: Thank you very much.

Mr. Spring?

SPRING: Just two quick sort of practical things that I think (inaudible) one is that during the Cold War -- is that there is a rather sharp divide between people who are 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 work on arms control and non-proliferation matters.

I think that there is a natural coming together with that, but I think it's 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've got to be done in tandem, I think, now.

The division that we had during the Cold War between regional and functional isn't going to be as workable. It's not a huge step. It's 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 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 non-proliferation 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's 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 weapons of mass destruction.

SHAYS: Let me be clear, though. Are you advocating that there be nuclear weapons in space?

SPRING: No, not nuclear weapons. The weaponization of space thing is going to be really driven about missile defenses, and also the survivability of U.S. military systems to support tactical operations from space. And I believe that those are key.

(CROSSTALK)

SHAYS: ... space here is just a -- and just to make sure we're -- I wanted to make you smile, not look so serious.

(LAUGHTER)

SHAYS: So you're just putting in a word that while you think it's far more serious to deal with non-proliferation issues, you're saying that a defensive system is not something we should just dismiss.

SPRING: That is exactly right. And it has to be really in space, in my judgment, because that's where the missiles fly. Missiles fly in space. And so we're 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. SHAYS: Let me just say that Mr. Granoff disagrees, but I'm 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're 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. So with that, we will adjourn this hearing. Thank you all very much.

END

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