



Obama May Embrace Emirates Deal as Model for Nuclear Agreements

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By Indira A.R. Lakshmanan

Feb. 3 (Bloomberg) -- In her final days as secretary of state, **Condoleezza Rice** signed a nuclear-energy accord with a Persian Gulf ally 50 miles from Iran, calling the measure "a powerful and timely model for the world."

President **Barack Obama** is likely to agree.

The deal with the United Arab Emirates is designed to assist the Arab nation in starting a nuclear-power industry that can't be converted into a weapon-making enterprise. The agreement may help Obama keep his pledge to crack down on the production and smuggling of nuclear materials.

He has called the spread of nuclear weapons "the gravest danger we face." That threat is increasing: With global electricity demand projected to double by 2030, dozens of countries across Asia, the Middle East, Africa and Latin America have expressed interest in nuclear power -- and with any nuclear program comes the risk of proliferation.

"The U.A.E. is doing it absolutely the right way," says **Jon Wolfsthal**, a former U.S. government monitor at North Korean and Russian nuclear facilities will be advising Vice President **Joe Biden** on proliferation. "We should not only support the U.A.E. deal, but it could be used as a model" for other countries to pursue nuclear power in a way that doesn't raise fears of clandestine weapons programs.

A federation of Arab sheikdoms that borders Saudi Arabia and produces as much oil as Iraq, the U.A.E. has committed to buy nuclear fuel from foreign countries and send back spent supplies.

Bomb Material

It is the first country to pledge that it won't exercise its right under the **Nuclear Nonproliferation Treaty** to enrich uranium or reprocess plutonium to make its own fuel. Those are also the only ways to create fissile material for bombs.

In exchange, the Bush administration supported allowing U.S. companies to sell the Abu Dhabi government nuclear technology.

The U.A.E. commitment is "a counterpoint to what Iran is doing," says Wolfsthal, 42. Although Iran contracted to buy supplies from Russia and send spent fuel back, it has also insisted on enriching uranium, claiming it needs its own fuel. Like North Korea, which clandestinely reprocessed plutonium, Iran's suspected dual-use facilities have triggered international sanctions, and leaders of both countries have resisted economic incentives to close them.

Ben Chang, Obama's National Security Council spokesman, says the administration is studying the U.A.E. deal before deciding whether to send it to Congress, which will have 90 legislative days to block the agreement before it becomes law.

'Undermine' Efforts

Rejecting the accord would be counterproductive, says Andrew Grotto, a security analyst at the **Center**

for American Progress in Washington, a public-policy group with ties to the Obama administration. Since the U.A.E. can legally buy nuclear- power technology from companies in France, Britain, Japan and other nations, blocking a U.S. agreement that includes safeguards against proliferation “would undermine our efforts to set a high bar for transparency,” he says.

The U.A.E. arrangement has won an unusual combination of support from both the U.S. nuclear-power industry -- which stands to gain billions of dollars from selling technology and materials worldwide -- and from nonproliferation experts including former United Nations chief weapons inspector **Hans Blix**, who is now chairman of the Stockholm-based **Weapons of Mass Destruction Commission**.

Blueprint for Programs

At the McLean, Virginia, headquarters of **Thorium Power Ltd.**, a nuclear-energy company that’s advising the U.A.E. on building its industry, the deal was celebrated as a blueprint for prospective programs in Saudi Arabia, Ukraine and elsewhere.

Chief Executive Officer **Seth Grae**, 45, is trying to develop a “proliferation-proof” fuel based on thorium, a **metallic element** that theoretically couldn’t be reprocessed for weapons use. The company’s advisers include Blix, 80, who is also a former director general of the **International Atomic Energy Agency** in Vienna.

Other ideas to halt proliferation include creating an international fuel bank to discourage countries from making their own fuel, a proposal Obama, 47, supports. The project, spearheaded by the Washington-based **Nuclear Threat Initiative**, has been funded by billionaire investor **Warren Buffett**, the U.S. government, the U.A.E., the European Union and Norway.

Tighten Export Controls

Many nonproliferation experts say the 45 nations that sell nuclear-energy technology need to tighten their export controls. **George Perkovich**, director of the nonproliferation program at the **Carnegie Endowment for International Peace** in Washington, says all suppliers, including in the U.S., should take back spent fuel so plutonium can’t be reprocessed.

By voluntarily pledging not to seek sensitive nuclear technology, the U.A.E. sets “the gold standard” that other nations should emulate, says **Thomas Graham Jr.**, 75, a former top U.S. arms-control negotiator who is now Thorium’s executive chairman.

There are some objections to the agreement. Representative **Ileana Ros-Lehtinen**, a Florida Republican, has questioned security at the U.A.E.’s port of Dubai, a nexus for the proliferation network once run by Pakistani nuclear scientist A.Q. Khan that supplied Iran, North Korea and Libya with sensitive nuclear material.

Blix says there are ways to avoid this problem: If “Congress has concerns about leakage of technology to Iran, assurances of export controls would be in order.”

Ulterior Motives

Joseph Cirincione, president of the San Francisco-based **Ploughshares Fund**, a nonproliferation foundation, says he worries that power plants can be “the starter kits for nuclear weapons,” and that some nations may have ulterior motives in seeking nuclear energy.

“Iran’s rivals cannot afford to let it gain the military, political and diplomatic leverage conveyed by nuclear weapons,” he says. “What’s to stop them once they’ve built the reactors from adding on a fuel-making facility?”

The U.A.E.’s ambassador to the IAEA, Hamad Al Kaabi, says his nation’s “decision has nothing to do with Iran.” If the U.A.E. wanted weapons, it wouldn’t have become the first nation “to forgo enrichment and reprocessing,” he says. Since 2007, the U.A.E. has enhanced export controls through new laws, prosecutions, interdictions and the banning of companies involved in proliferation, adds Al Kaabi, a U.S.-trained nuclear engineer.

The U.A.E. deal probably comes too late to serve as a road map for negotiations with Iran, Perkovich says. "But it could work for the next country."

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