

## **White House poised to sign nuclear cooperation agreement with United Arab Emirates**

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Bucking congressional objections, the Bush administration is preparing to sign this week a civilian nuclear cooperation agreement with the United Arab Emirates (UAE) that according to sources the administration sees as strengthening the political alliance with the UAE and weaning it from ties with Iran.

The agreement would permit U.S. nuclear technology and fuel exports to the UAE as well as nuclear cooperation between U.S. firms and UAE entities in third countries. Congressional critics worry that because of weak export controls in the UAE, the agreement could lead to the transfer of more nuclear technology to Iran, which is attempting to build a nuclear weapon according to the U.S.

The signing is set for either tomorrow (Jan. 14) or Jan. 15, sources said, and if President Bush formally notifies the Congress of this agreement, it starts a 90-day period under section 123 of the Atomic Energy Act during which both houses of Congress may disapprove the agreement, otherwise it will go into effect automatically.

It would be difficult but not impossible for President Bush to submit the complicated and lengthy notification package to Congress this week, according to government sources.

Since the Bush administration began its push for the nuclear cooperation agreement with UAE late last year, members of Congress have tried to use it as leverage to get UAE to put in place an effective export control regime guarding against transshipment of sensitive items, particularly nuclear-related items, to Iran.

House Foreign Affairs Committee Chairman Howard Berman (D-CA) has been working closely with the administration to change the agreement in a way that would reduce the risk of it leading to the bolstering of Iran's nuclear weapons program, according to a House source. Berman wants the final text of the agreement to include enforceable commitments not to enrich or reprocess fissile materials and not to transship items to Iran, one informed source said.

As of Jan. 13 it was not clear whether the administration and the UAE had incorporated the changes into the text of the agreement.

House Foreign Affairs terrorism, nonproliferation and trade subcommittee Chairman Brad Sherman (D-CA) this week also signaled he wants to use the nuclear cooperation agreement as a way to prod UAE toward a better export control regime that guards against diversion to Iran.

“The UAE needs to do everything possible to disrupt Iranian procurement fronts, agents, and other firms that seek to forward military hardware, dual use and especially nuclear-relevant items to Iran,” he said in a Jan. 12 e-mail. “The nuclear cooperation agreement is

too valuable and provides too much leverage to give it away without far more progress out of the UAE. “

The president should not sign the UAE nuclear cooperation agreement, and it should most certainly not be sent to Congress until the UAE has done “a far better job” in preventing the transfer of sensitive technologies to Iran, Sherman said.

Sherman is a co-sponsor of a bill introduced on Jan. 9 by Foreign Affairs Committee Ranking Member Ileana Ros-Lehtinen (R-FL), which requires the president to certify, before any export licenses under the agreement are granted, that in the last 12-months the UAE has taken “effective actions” to prohibit, terminate and prevent the shipment of controlled goods, services and technology to Iran. The items are those covered by the Nuclear Suppliers Group, the Missile Technology Control Regime (MTCR), the Australia Group, the Chemical Weapons Convention, the Wassenaar Arrangement of dual use goods and munitions list, the U.S. munitions list and the Commerce Control List. Items also include goods, services and technology not under these regimes that are prohibited specifically to export to Iran.

The other cosponsors of the bill are committee members Reps. John Boozman (R-AR), Dan Burton (R-IN), Jeff Fortenberry (R-NE), Ed Royce (R-CA) and Joe Wilson (R-SC) as well as Rep. Ed Markey (D-MA).

If the U.S.-UAE nuclear cooperation agreement is notified to Congress without the UAE having met the conditions in the bill, Sherman would lead a fight to block the agreement, according to an aide. Congress can also offer a resolution of approval amending the signed agreement and the Ros-Lehtinen text could be added to a resolution of approval.

Sherman cited an Institute for Science and International Security report entitled “Iranian Entities' Illicit Military Procurement Networks” published on Jan. 12, which charges that the UAE is a country with failed export control laws.

“The United Arab Emirates (UAE’s) port capital of Dubai, for example, functions as one of the world’s most unrestrictive free trade and shipping zones. It also houses hundreds of front companies and foreign trading agencies that actively procure dual-use items for entities in countries under sanction,” the report states. “The failure of the UAE, Malaysia, and other governments to implement and enforce tough export control laws against companies located on their territories allows entities in states like Iran to benefit importantly from onward proliferation.”

A House source alleged that the UAE until last month had not designated an agency to implement its August 2007 export control law and there has been no enforcement until now.

That export control law was largely the result of direct pressure from the Commerce Department, which in 2007 proposed creating a new category of countries, known as countries of diversion concern or Country Group C, that would have faced stricter licensing requirements for a wider range of U.S. dual-use goods.

The diversion concern category was also included in an Iran sanctions bill introduced last year by Sen. Chris Dodd (D-CT) with an eye toward ending transshipments from UAE and Malaysia to Iran.

But the UAE government has begun rebutting these allegations of a weak export control regime with the help of the U.S.-UAE Business Council, which has pushed hard to get the agreement signed before the end of the Bush administration.

The UAE Embassy this month released a summary of export control achievements, which says that as a result of the August 2007 law, the UAE has shut down a number of companies involved in money laundering and proliferation of materials banned under the Nonproliferation Treaty. It also claims that the UAE has used the law to interdict “numerous” shipments of dual-use items bound for Iran.

The law established a National Commission to oversee export control procedures and criminal penalties have been established, the documents notes. The paper also notes that the UAE is a member of the International Atomic Energy Agency, MTCR and U.S. Container Security Initiative among other U.S. customs initiatives. It also notes that Dubai Ports World, the UAE's leading port management company, has been certified as a partner in the Customs and Border Protection Customs-Trade Partnership Against Terrorism.

The Embassy document says that further upgrades to export controls are planned to meet recommended guidelines of the Nuclear Suppliers Group.