



## KEYNOTE: THOMAS DONILON

# 2011 CARNEGIE INTERNATIONAL NUCLEAR POLICY CONFERENCE

TUESDAY, MARCH 29, 2011  
3:45 P.M.  
WASHINGTON, D.C.

**WELCOME:**

**Jessica Mathews**

President,

Carnegie Endowment for International Peace

**SPEAKER:**

**Thomas Donilon**

National Security Advisor

The White House

Transcript by Federal News Service  
Washington, D.C.

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MATHEWS: I mentioned in opening the conference yesterday that we've been doing this since 1989. And I think – I think I've been to them all. And based on the bits of this conference that I've been able to sit in on, and the things that I've heard about the parts that I missed, I think that this has been the best installment of any of them.

And I want to acknowledge first the grandfather of this – of these conferences, the founder of them, Sandy Spector, and the father who reimagined them, took them international, made them a whole lot bigger, Joe Cirincione, and now our third generation of leadership, George Perkovich, who has not only assembled a breathtaking team of experts in our nuclear policy program, but has taken these meetings from strength to strength to strength. So George, wherever you are – (applause).

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Second, I want to extend our very sincere, deep gratitude to all our speakers and moderators. They provide the content and the quality that makes these meetings what they are. And third, I want to say that, you know, a great conference, like a great university, is not defined by the faculty just, but by the student body. And what makes these meetings so worth coming to is all of you. Thank you all for being here.

We have a fitting climax to a really superb two days of meetings in being able to have the privilege of hearing from President Obama's national security advisor, which gives me the pleasure of introducing an old friend, a good friend, Tom Donilon. Tom is, as you know, as I just said, national security advisor, and before that, served as principal deputy national security advisor.

In the Clinton administration, he was an assistant secretary of state and chief of staff to Warren Christopher, then-secretary, whose passing we mourn. In that role as chief of staff, he of course became intimate with the entire scope of American foreign policy, and was recognized, his work was recognized, with the State Department's highest award, the Distinguished Service Award, in 1996 for his work then.

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He served also as a young man, a very young man, in the Carter White House. And between all these stints in government, he's pursued a career as a practicing attorney and for some years as general counsel and executive president of Fannie Mae – a distinguished and busy career.

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For his whole working life, Tom has studied and worked on and cared deeply about the decisions that get made at the intersection of politics and policy, and the role of good process, of disciplined process, in successful policymaking.

Since his long stint at the State Department, his focus has narrowed in on the area of international relations. And he has made that his area of concentration, and has now reached the pinnacle in our government in that service. So it's a – it's a very great privilege and just a great pleasure to introduce him to you, and to welcome him to the Carnegie conference. (Applause.)

[00:07:08]

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DONILON: Thank you very much Jessica. I'm delighted to have this opportunity to speak at Carnegie's 2011 International Nuclear Policy Conference. I look around this room and see so many familiar faces who have been leaders in the topics of nuclear weapons, arms control, and nonproliferation. Your fresh ideas, insights, and serious thinking about these issues have never been more valuable to me than in my current position. I have spent enough hours on these topics over the past two years in the White House to see firsthand how valuable the fresh intellectual capital you provide is. Thank you for all that you do.

The reason I have spent so much time on these issues is quite straightforward: President Obama. In the course of briefing the President every day—I think I passed the 400 morning briefing point recently—chairing interagency meetings, and coordinating U.S. government policy, I've seen firsthand how the President's deep commitment and personal involvement is the driving force behind our nuclear strategy.

As a U.S. Senator and presidential candidate, President Obama made nuclear nonproliferation the centerpiece of his national security agenda. When he came into office, we had a full range of difficult legacy issues to address—two wars, combating terrorism, a deep financial crisis. The President was, however, determined to also pursue an affirmative agenda—what the United States, and American leadership, would stand for in the world. And at the center of that affirmative agenda was a new nuclear strategy for the United States.

Two years ago in his speech in Prague, the President declared his vision for achieving the “peace and security of a world without nuclear weapons” and he laid out a plan of action for near term practical steps to move in that direction. There are four interrelated elements to the President's Prague agenda.

First, to reduce the number and role of nuclear weapons by those states that already possess nuclear weapons, starting first with Russia and the U.S. which together still control over 90 percent of the world's nuclear weapons.

Second, to prevent additional countries from acquiring nuclear weapons by strengthening the international non-proliferation regime and by holding accountable those states that have violated their obligations, such as Iran and North Korea.

Third, to prevent nuclear terrorism by securing vulnerable nuclear materials and strengthening international cooperation on nuclear security.

Fourth, to develop new mechanisms to support the growth of safe and secure nuclear power in ways that reduce the spread of dangerous technologies.

During the two years since the Prague speech, we have made significant progress in each of these four areas.

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- In June 2009, in response to North Korea's second nuclear test, the UN Security Council adopted Resolution 1874, which imposes the toughest sanctions to date against North Korea, including additional measures to interdict shipments of prohibited cargo to and from North Korea.
- In September 2009, the United Nations Security Council—meeting for the first time under the chairmanship of a U.S. President—unanimously approved Resolution 1887, endorsing the key elements of President Obama's Prague agenda.
- In April 2010, President Obama hosted a historic Nuclear Security Summit of 47 nations and three international organizations in Washington at which leaders pledged specific steps to prevent nuclear terrorism and support the President's proposal to lock down all vulnerable nuclear materials in four years. This was the largest gathering of nations hosted by the United States since the UN founding conference in San Francisco in 1945.
- Also in April, President Obama issued an updated Nuclear Posture Review that reduces the role of nuclear weapons in our overall defense posture by declaring that the fundamental role of U.S. nuclear forces is to deter nuclear attacks against the U.S. and our allies and partners. While there still is a narrow range of contingencies where American nuclear weapons may still play a role in deterring conventional or chemical or biological weapons attacks, we have committed to take concrete steps to make deterring nuclear use the sole purpose of our nuclear forces. Our new doctrine also extends U.S. assurances by declaring that we will not use or threaten to use nuclear weapons against non-nuclear weapons states that are members of the Nuclear Non-Proliferation Treaty and in compliance with their non-proliferation obligations.
- In May, the NPT Parties met for a successful Review Conference, approving a final document endorsing a balanced approach to advance the three pillars of nuclear nonproliferation, peaceful uses, and disarmament.
- In December, after years of negotiations, the IAEA Board of Governors took a major step—approving the establishment of an IAEA fuel bank, which will help assure the reliability of fuel supply and assist countries to use nuclear energy without building fuel cycle facilities.
- Finally, just before Christmas, the Senate approved the New START Treaty, which President Obama and President Medvedev signed last April in Prague. By significantly reducing levels of U.S. and Russia deployed strategic weapons, the Treaty represents a commitment by the world's two largest nuclear powers to the goal of disarmament. In addition, the Treaty strengthens the reset in relations between Washington and Moscow that is helping us to address the most urgent proliferation threats we face in Iran and North Korea.

Those of you who know me know that I'm not prone to hyperbole or, for that matter, seeing the upside in things. But all in all, I think it's fair to say that the two years since the President's Prague speech have been exceedingly productive. Despite this progress, however, we will not rest on our laurels. And I can tell you with certainty that President Obama won't. Despite the many pressing global challenges that are

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competing for his attention, he has directed us to keep up the momentum and lay the ground work for additional progress.

So, with this in mind, I'd like to discuss our plans to advance each of the four dimensions of the President Prague agenda.

First, to reduce the number and role of nuclear weapons, we are beginning to implement the New START Treaty with Russia. Last week, we exchanged data with Russia on nuclear facilities, and the Bilateral Consultative Commission, the Treaty's implementing body, is launching its first meetings in Geneva this week. On-site inspections conducted under the Treaty will begin next month. When the Treaty is fully implemented, it will result in the lowest number of deployed nuclear warheads since the 1950s, the first full decade of the nuclear age.

As we implement New START, we're making preparations for the next round of nuclear reductions. Under the President's direction, the Department of Defense will review our strategic requirements and develop options for further reductions in our current nuclear stockpile, which stands at approximately 5,000 warheads, including both deployed and reserve warheads. To develop these options for further reductions, we need to consider several factors, such as potential changes in targeting requirements and alert postures that are required for effective deterrence.

Even as we consider further reductions, President Obama has also made clear that the United States will retain a safe, secure, and effective nuclear arsenal necessary to defend the U.S. and our allies and partners for as long as nuclear weapons exist. To ensure that objective, President Obama is seeking major funding increases to upgrade the Department of Energy's nuclear complex. Indeed, as we made clear during the START debate, we intend to invest \$85 billion in the nation's nuclear infrastructure over the next 10 years.

We will need Congress to support the President's budget to ensure these critical investments are made. These investments will not only ensure a safe, secure and effective arsenal. They will also facilitate arms reductions. In fact, if Congress approves the President's funding program for the nuclear complex, it allow us to reduce the size of our nuclear stockpile because we will be able to maintain a robust hedge against technical problems with a much smaller reserve force.

Once it is complete, this review of our strategic requirements will help shape our negotiating approach to the next agreement with Russia, which we believe should include both non-deployed and nonstrategic nuclear weapons. A priority will be to address Russian tactical nuclear weapons. We will work with our NATO allies to shape an approach to reduce the role and number of U.S. tactical nuclear weapons, as Russia takes reciprocal measures to reduce its nonstrategic forces and relocates its nonstrategic forces away from NATO's borders.

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In advance of a new treaty limiting tactical nuclear weapons, we also plan to consult with our allies on reciprocal actions that could be taken on the basis of parallel steps by each side. As a first step, we would like to increase transparency on a reciprocal basis concerning the numbers, locations, and types of nonstrategic forces in Europe. We will consult with our European allies and invite Russia to join with us to develop this initiative.

Achieving the next round of strategic arms reductions will be an ambitious task that will take time to complete. No previous arms control agreement has included provisions to limit and monitor non-deployed warheads or tactical warheads. To do so will require more demanding approaches to verification. We are ready to begin discussions soon with Russia on transparency and confidence building measures that could provide the basis for creative verification measures in the next round of U.S.-Russia nuclear arms reductions.

In parallel with these discussions with Russia, President Obama is committed to developing and deploying an effective missile defense system to defend the U.S. and its allies against emerging missile threats from such countries as Iran and North Korea. The Phased Adaptive Approach approved by President Obama in 2009 provides a more effective and a more timely response to the most likely missile threats that we will face in coming years. It is widely regarded as a substantial improvement over the prior program. And NATO fully embraced this new approach at the Lisbon summit last November. And when you think how contentious the subject of missile defense has been, especially in Europe, for many years, this is a very significant milestone and a tribute to what's possible when the United States works with allies and partners in a spirit of mutual respect and mutual interest.

As the President has repeatedly said, our missile defense program does not threaten Russia's strategic deterrent. Against this background, President Obama and President Medvedev have agreed to develop a program of U.S.-Russia missile defense cooperation. We believe that such cooperation can provide assurances to Russia that our missile defenses will not undercut strategic stability, while enhancing the ability of both nations to defend against emerging missile threats. For example, shared early warning data can increase the effectiveness of our missile defense system in Europe, while the U.S. and NATO retain the responsibility for defending themselves against ballistic missile threats.

Even as the U.S. and Russia move to reduce our nuclear arsenals, we must also support multilateral arms control efforts that can help to constrain the programs of other countries that possess nuclear weapons. While the U.K. and France have substantially reduced their arsenals from Cold War levels, a nuclear build up is underway in Asia, as several countries are modernizing and expanding their nuclear forces.

China's nuclear arsenal remains much smaller than the arsenals of Russia and the United States. Nonetheless, the lack of transparency in China's program, including its pace and scope and the strategy and doctrine guiding it, raises questions about China's future strategic intentions. To address these issues, our

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Nuclear Posture Review proposes that the U.S. and China engage in a strategic security dialogue that can increase confidence and ease concerns that drive nuclear expansion. We have encouraged our Chinese counterparts to begin a dialogue with us on the nuclear strategies, policies, and programs of both sides—and we will continue to do so. We cannot have a truly comprehensive relationship with China without dialogue on strategic issues.

At the same time, the Comprehensive Test Ban Treaty – the CTBT - and the Fissile Material Cut off Treaty - the FMCT - can help to limit the modernization and expansion of arsenals among countries that already have nuclear weapons, even in the absence of a new arms control measures that would cap and reduce all nuclear arsenals.

Let me first address the Test Ban Treaty. We are committed to working with members of both parties in the Senate to ratify the CTBT, just as we did for New START. We have no illusions that this will be easy. But we intend to stress three essential points as we make our case to the Senate and the American people. First, CTBT ratification serves America's national security interests because it will help lead others to ratify the treaty and thus strengthen the legal and political barriers to a resumption of nuclear testing, which would fuel the nuclear build up in Asia.

Second, more than a decade since the Senate last considered - and rejected - the CTBT, we are in a stronger position to effectively verify the Treaty through the global monitoring system set up under the Treaty and our own strengthened national capabilities.

Third, our experience with the stockpile stewardship program has demonstrated that the U.S. can maintain an effective and reliable nuclear arsenal without nuclear testing. In fact, as I noted, President Obama has funded, and is committed to continue funding for, the U.S. nuclear laboratories at increased levels to ensure that we have the facilities, resources and personnel needed to retain the nuclear forces to defend the United States and our allies.

On the FMCT, President Obama has announced his support for a new international treaty to verifiably end the production of fissile material for use in nuclear weapons. Such a treaty would clearly reduce the risks of proliferation and nuclear terrorism. Our preference is to negotiate the FMCT within the Conference on Disarmament, but it is becoming increasingly doubtful that the Conference can achieve consensus to begin such negotiations. As a consequence, we will begin consultations with our allies and partners to consider an alternative means to begin FMCT negotiations. To be successful, we will encourage all permanent members of the Security Council and other relevant parties to participate in this effort.

To advance the second element of the President's Prague agenda—non-proliferation—we're continuing our efforts to strengthen the international non-proliferation regime, as proposed by Security Council Resolution 1887 and the NPT Review Conference. In particular, we're working with the International Atomic Energy Agency to ensure that the Agency has the resources, technology, and authority

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it needs to conduct effective monitoring and inspections, especially when doubts are raised about whether nations are fulfilling their international obligations. We have strongly supported the agency's investigations of the North Korean-supplied Al Kibar reactor in Syria and nuclear weaponization activities in Iran. We encourage Director General Amano to report to the Board of Governors on the results of these investigations as soon as possible.

The world's efforts to prevent the spread of nuclear weapons are, of course, challenged by Iran and North Korea. I have spent an enormous amount of time on these challenges. North Korea has conducted nuclear tests, revealed a previously covert enrichment program, and continues to develop long range missiles. As President Obama has said, "North Korea's nuclear and ballistic missile program is increasingly a direct threat to the security of United States and our allies."

For its part, Iran continues to pursue an enrichment program in defiance of numerous UN Security Council resolutions and refuses to cooperate with the IAEA to resolve questions about its past weaponization activities. Of all NPT parties – and we have made this point directly to the Iranians -- Iran is the only country that has been unable to convince the International Atomic Energy Agency that its nuclear program is for peaceful purposes.

Unless we can meet the challenge posed by Iran and North Korea, additional countries in the Middle East and East Asia could well leave the NPT and develop their own nuclear weapons, thus reversing any movement towards disarmament. Moreover, Iran and North Korea are challenging the viability and credibility of the treaties and institutions that form the bedrock for disarmament. No matter how much we strengthen the regime on paper, it will be meaningless if countries feel they can violate the rules with impunity. As President Obama said in his Prague speech, "Rules must be binding. Violations must be punished. Words must mean something. The world must stand together to prevent the spread of these weapons."

On North Korea, since President Obama took office, we have made clear that we were prepared to talk directly with the North Koreans and that we are open to an agreement that would also provide security for North Korea. The Six-Party Joint Statement of 2005 provides the framework for such an agreement. At the same time, President Obama made clear that North Korea can never find the security that it seeks unless it fulfills its commitments to complete denuclearization and abides fully by the terms of its international obligations. We and our partners have underscored that North Korea must begin taking irreversible steps towards denuclearization before it can obtain the benefits it seeks from the international community.

North Korea chose not to take such a path, instead reverting to its old pattern of provocation followed by demands for compensation. We have refused to reinforce that pattern. Instead, we have tightened international sanctions, including financial measures and an arms embargo. We have established an unprecedented level of cooperation with our allies South Korea and Japan, and worked closely with China and Russia as well.



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In response to this solidarity and pressure, in recent months North Korea has begun talking about a return to Six Party Talks, which it declared irrevocably dead last summer, and been making other gestures indicating a desire to return to talks. What we are insisting upon is that negotiations not repeat the old pattern, but rather that North Korea first needs to engage with the South and address issues surrounding its military provocation and then take significant and irreversible steps toward the goal of denuclearization. Those steps must include monitored suspension of their newly declared uranium enrichment program.

President Obama has also long understood the regional and international consequences of Iran becoming a nuclear weapons' state. That is why we are committed to preventing Iran from developing nuclear weapons. From his first days in office, he has made clear to Iran that it has a choice: it can act to restore the confidence of the international community in the purposes of its nuclear program by fully complying with the IAEA and Security Council resolutions, or it can continue to shirk its international obligations, which will only increase its isolation and the consequences for the regime. There is no escaping or evading that choice.

Already, Iran is facing sanctions that are far more comprehensive than ever before, and as a result it finds it hard to do business with any reputable bank internationally; to conduct transactions in Euros or dollars; to acquire insurance for its shipping; to gain new capital investment or technology infusions in its antiquated oil and natural gas infrastructure—and it has found in that critical sector, alone, close to \$60 billion in projects have been put on hold or discontinued. Other sectors are clearly being affected as well as leading multinational corporations understand the risk of doing business with Iran and are no longer doing so.

Unless and until Iran complies with its obligations under the NPT and all relevant UN Security Council resolutions, we will continue to ratchet up the pressure. We will not close the door on diplomacy. Like all NPT Parties, Iran has the right to peaceful nuclear energy. But it also has a responsibility to fulfill its obligations. There are no short-cuts and we will not take our eye off the ball. Even with all the events unfolding in the Middle East, we remain focused on the strategic imperative of ensuring that Iran does acquire not nuclear weapons.

We look to others who share our desire for disarmament to join us in giving Pyongyang and Tehran a clear choice between full compliance and increasing pressure and consequences.

With regard to the third element of the President's nuclear strategy - nuclear security - the idea to host a Nuclear Security Summit in Washington was President Obama's personal initiative and reflects his conviction that nuclear terrorism poses the most extreme threat to international security. The President was very satisfied that the Washington summit built high level political support for nuclear security and created a concrete work plan to support a global effort to secure all vulnerable nuclear materials within four years.

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With about one year to go before the next Nuclear Security Summit in Seoul in spring 2012, we are very confident that we will be able to demonstrate significant progress toward fulfilling the work plan agreed to in Washington. Since April 2009, for example, thousands of kilograms of nuclear materials – hundreds of bombs worth – at over 20 sites around the world have already been removed or eliminated.

Notably, Kazakhstan has moved 13 tons of fissile material to more secure internal storage, and fissile material has been entirely removed from Libya, Chile, Turkey, Serbia, and Romania. And Ukraine and Belarus have committed to removing all the Highly Enriched Uranium from their territories by the time of the Seoul summit. We are working at home and around the world to convert research reactors so they no longer use HEU fuel. In locations where material elimination is not possible, we have worked with other governments to lock down materials through robust security enhancements. Countries are also beefing up transport security and response forces.

But nuclear security is more than about protecting material with guards, guns, and gates. It also means addressing the human element by establishing a security culture and training programs for the personnel responsible for protecting nuclear materials. Since the Washington summit, we have signed agreements with Japan, China, South Korea, and India to establish and work together at regional “Centers of Excellence” to provide training and education for nuclear security officials. During the President’s recent trip, Brazil agreed to consider establishing a similar regional center for Latin America. Other training facilities are being established in Italy, Kazakhstan and Algeria.

Nuclear security requires funding, but it is money well spent. For its part, the Obama Administration has committed an additional \$10 billion to the Global Partnership to help countries pay for nuclear and biosecurity upgrades. In this respect, I want to emphasize the President’s commitment to securing adequate funding for the U.S. nuclear security and nonproliferation programs in the FY 2011 and FY2012 budgets. Even in these difficult financial times, we cannot afford to skimp on essential national security needs.

Finally, we’re making progress on the fourth element of President Obama’s Prague agenda—building a new international framework to support peaceful uses of nuclear energy without increasing the risk of proliferation. Clearly, all nations with nuclear energy programs will need to take full account of the lessons to be learned from the Fukushima accident in Japan, since the safe operation of nuclear power plants and safe storage of nuclear waste must be our paramount concern, wherever we live. Here in the United States, we will test our assumptions, review our procedures, and strengthen our regulations. This crisis also highlights the importance of strengthening the IAEA’s mandate to establish and continuously improve nuclear safety standards and guidance, and supporting the agency’s programs to assist Member States in the application of those standards.

At the same time, the need for low-carbon sources of electricity will continue to grow in the decades ahead, which means that nuclear power will remain an important element in the global energy portfolio. And we must be just as vigilant in minimizing proliferation risks as we are in minimizing safety risks. That is

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why the United States has been working with nations around the world to ensure that they can access peaceful power without increasing the risks of proliferation.

In this respect, we will continue to work within the Nuclear Suppliers Group to reach agreement on tougher criteria governing the transfer of enrichment and reprocessing technologies for civil purposes. We will also continue to work with the IAEA to implement the fuel bank concept and other multilateral approaches to the nuclear fuel cycle. And we are committed to developing commercial concepts for nuclear fuel leasing, so all countries can benefit from nuclear energy without spreading dangerous technology and materials.

In conclusion, despite many pressing challenges around the world and here at home, I am here to express President Obama's strong and enduring commitment to the Prague agenda. As the President noted in Prague, "some argue that the spread of these weapons cannot be stopped, cannot be checked -- that we are destined to live in a world where more nations and people possess the ultimate tools of destruction." He said, "such fatalism is a deadly adversary" tantamount to conceding "that the use of nuclear weapons is inevitable." This we cannot accept.

We cannot succeed without your help. This community of international nuclear experts and former officials, think tank and business people, academics and activists—you provide the essential bedrock for government action. You are often able to do things that governments can't or won't do. We look to you to stimulate initiatives, build public support, provide constructive advice and hatch creative ideas.

Working as partners, we can fulfill the Prague agenda and we can move closer to the vision that we share—the peace and security of a world without nuclear weapons. Thank you very much.

MATHEWS: Because of Tom's schedule, he can't stay for Q&A, but I do want to thank him for an extraordinary "tour de raison" of where we're going and for what this administration – the leadership it has shown has just been terrific. Thanks.

(Applause.)

DONILON: Again, I really appreciate it and I look forward to my nomination – (inaudible) – but at some point along the way here. (Applause.) Thank you very much.

MATHEWS: It's a long route to carry, right? (Laughter, applause.)

Let me close just by inviting you all to a reception that's out in the hall. So we've done our hard work, now we can play a bit.

(END)