REPORT ON THE U.S. INTELLIGENCE COMMUNITY'S PREWAR INTELLIGENCE ASSESSMENTS ON IRAQ



Ordered Reported on July 7, 2004

SELECT COMMITTEE ON INTELLIGENCE

UNITED STATES SENATE

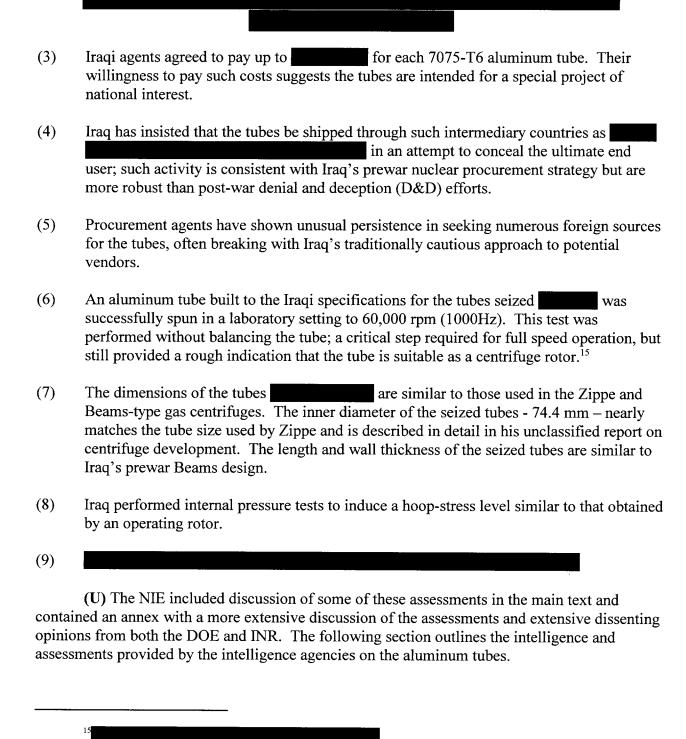
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that in manufacturing rockets either a layer of insulating material is painted to the interior wall and the case is then filled with solid propellent, or a precast grain of solid propellant is loaded inside the tube cavity using thin metal spacers to separate the grain from the tube wall. In either case, minor surface imperfections would have no effect on the performance of the rocket. According to the IAEA, the finish of the Iraqi tubes that were intercepted was worse than the finish on the older tubes Iraq declared in 1996. In addition, any machining Iraq had to perform to change the wall thickness of the tubes would also change the interior surface of the tubes, making a request for a smooth finish unnecessary if the tubes were intended to be used in a thin walled centrifuge.

(1) (3) Iraqi Agents Agreed to Pay up to U.S. \$17.50 Each for the 7075-T6 Aluminum Tube. Their Willingness to Pay Such Costs Suggests the Tubes Are Intended for a Special Project of National Interest

intelligence report does indicate, as the NIE notes, that Iraq may have agreed to a price of about U.S. \$17.50 per tube in an attempt to procure aluminum tubes. Most reports showed, however, that Iraq had negotiated lower prices for the tubes, typically U.S. \$15 to U.S. \$16 per tube, and as low as U.S. \$10 per tube. The DOE told Committee staff that according to the IAEA for each aluminum tube acquired in the 1980s. If inflation is taken into account, Iraq would be paying less today than in the 1980s for the same tubes. A DOE analyst also contacted a U.S. aluminum tube manufacturer to request a price quote for 7075-T6 aluminum tubes with similar dimensions to the Iraqi tubes. The analyst did not request specific tolerances which could have raised the price of the tubes. The U.S. manufacturer quoted a price of \$19.27 per tube, higher than the price Iraq was able to negotiate.

(U) Furthermore, the NIE assessment about the cost of the tubes referenced the fact that Iraq was using 7075-T6 aluminum, which the NIE noted "is considerably more expensive than other, more readily available material." As noted previously, DOD rocket engineers told Committee staff that 7075-T6 aluminum is not more expensive that other suitable materials, suggesting that the use of 7075-T6 aluminum did not increase the cost of the tubes.