

IAEA Board of Governors Meeting, March 6, 2006
Agenda Item 5 (b)

**Report by the Director General on the Implementation of Safeguards in the
Islamic Republic of Iran**

U.S. Statement

Mr. Chair,

My government welcomes the Director General's February 27 report and continues to support the Agency's rigorous ongoing efforts in Iran.

Last month, we reported Iran to the United Nations Security Council, recalling our findings that Iran has violated its international commitments and lost the trust of the international community. The Security Council awaits Dr. ElBaradei's report before formally taking action.

The Director General's report resoundingly demonstrates that Iran has failed -- on each and every count -- to meet the requests from the Board's February 4 decision. I would like to remind my colleagues that these requests date back to the September 2005 Board, and to many earlier resolutions. In the five months since the Board made its findings, the leaders in Iran have done nothing to raise international confidence. Quite the contrary, their behavior has only contributed to mounting international concerns about its pursuit of nuclear weapons.

Since our last meeting, Iran ended voluntary cooperation with the Agency, stopped implementing the Additional Protocol, and resumed uranium enrichment at Natanz. None of the serious outstanding questions about Iran's nuclear program have been resolved because Iran continues to withhold information and access. As

a result of Iran's defiance, the Agency remains unable to offer assurances that there are no undeclared nuclear materials or activities in Iran. We share the conclusion reached in Dr. ElBaradei's report that it is "a matter of concern" that the Agency has not been able to clarify serious uncertainties about the scope and nature of Iran's nuclear program even after three years of intensive IAEA investigation.

The Agency remains unable to corroborate Iran's belated and forced explanations, many of which the IAEA finds unsatisfactory or implausible, and the list of discrepancies and inconsistencies in Iran's declarations keeps growing. Meanwhile, Iran is moving forward aggressively with its enrichment program. Iran has informed the Agency that it intends to install the first 3000 P-1 centrifuges at Natanz in the fall of this year. It already has an 85-ton stockpile of UF₆, which if enriched could produce enough material for about ten nuclear weapons. Although Iran continues to characterize its enrichment efforts as innocent research and development, it is abundantly clear that Iran is determined to achieve a large-scale enrichment capability, and to achieve it as soon as possible. Iran has taken these steps despite the widespread international calls to suspend all enrichment related activities including research and development.

We are equally disturbed by the indications that Iran's goal is not limited to mastering all aspects of the nuclear fuel cycle, but extend to weaponizing the product of that fuel cycle. In January, the Agency reported that Iran possesses a 15-page document on casting enriched and depleted uranium metal into hemispheres. In last week's technical briefing, DDG Heinonen noted that the instructions are clearly intended for highly-enriched uranium, and refer to "hemishells". IAEA inspectors seem to have no doubt that this information was expressly intended for the fabrication of nuclear weapons components. Iran

refuses to turn this document over to the Agency, and won't reveal when it was received. The Agency is also continuing to investigate the linkages between the Green Salt project, high-explosive tests, and the design of a missile re-entry vehicle. Dr. ElBaradei's latest report suggests that the Agency is focusing on a specific company that appears to be associated with the Green Salt project, and Iran admits is connected to Esfahan and the G'Chine uranium mine. Iran still has not come clean.

Indeed, the Agency has repeatedly underscored that it needs full transparency and active cooperation beyond the routine requirements of Iran's Safeguards Agreement and the Additional Protocol -- in order to clarify questions about the past and current direction of Iran's nuclear program. In light of Iran's continued refusal to provide such transparency and cooperation, we encourage the Agency to consider using the full extent of the legal authorities provided for in Iran's Safeguards Agreement with the Agency. For example, in order to obtain access to information and locations, the Agency could consider invoking the procedures for a special inspection. If the Board decided that specific Agency requests for cooperation are "essential and urgent" to ensure non-diversion of nuclear material it could call on Iran to take the desired actions without delay. Calling for Iran's immediate cooperation with a special inspection request is clearly justified given that the Director General has reiterated that Iran's transparency is "indispensable and overdue" and that without such transparency the Agency's ability to verify the correctness and completeness of Iran's declarations "will be restricted".

Mr. Chair, during the run-up to this meeting, much effort was expended in giving Iran another opportunity to step away from the path to nuclear weapons.

Russia engaged in multiple diplomatic exchanges to persuade Iran to take advantage of its proposal for a joint venture involving uranium enrichment in Russia. The Foreign Ministers of the Governments of France, Germany and the United Kingdom recently held a Ministerial meeting with Iran. Just yesterday, Secretary Rice and Foreign Minister Lavrov expressed unity in seeking a diplomatic settlement and support for the February 4 resolution. We are disappointed that Iran was not prepared to meet international concerns, including our repeated calls for a full suspension of all enrichment related activities, including research and development.

We have all seen the press accounts of Iran's former nuclear negotiator, Hassan Ruhani, bragging that Iran manipulated negotiations to buy time to complete Esfahan. It would seem that they are doing this again with respect to Natanz. Why else do the Iranian negotiators insist on continuing efforts to master centrifuge technology? This is not "face-saving" research and development. This is not meaningful restraint on uranium enrichment development. Instead, under the guise of negotiations, Iran seeks to forge ahead with test centrifuge cascades that will allow Iran to perfect the technology, materials and expertise necessary to produce highly-enriched uranium for nuclear weapons.

At the Board's last meeting, we adopted a resolution that put Iran on the Security Council's agenda. We also agreed that the Director General's report, which we are considering now, be conveyed to the Security Council immediately thereafter. The time has now come for the Security Council to act. The United States believes that the Security Council's involvement should reinforce the Agency's role and investigations. As a first step, we envision a call for Iran to cooperate with the Agency and to take the steps identified by the Board to restore

confidence. The Council will also be able to provide the wider authority the Agency needs to investigate Iran's deeply troubling nuclear activities. We believe the Security Council's approach should be considered and incremental, proceeding in full consultation and coordination with all Council members. It should emphasize that Iran will face consequences if it does not meet its obligations. Of course, Iran's actions will influence how this issue is addressed at the Security Council. It is not too late for Iran's leaders to choose to act in the interest of the Iranian people, rather than continue to careen further down a path that denies the Iranian people an opening to the world, and the economic opportunities that they deserve.

Mr. Chair, we have not abandoned hopes for a diplomatic solution. This new phase of diplomacy is intended more forcefully to convince Iran to turn back from its nuclear weapons ambitions. The resolve of the international community is obvious. We join other members of the Board in urging Iran to cooperate with the Agency and its fellow member states to address our collective concerns through peaceful diplomacy rather than threats and confrontation.

Thank you, Mr. Chair.