

An Unnecessary Crisis Setting the record straight about Iran's nuclear program

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In a region already suffering from upheaval and uncertainty, a crisis is being manufactured in which there will be no winners. Worse yet, the hysteria about the dangers of an alleged Iran nuclear weapon program rest solely and intentionally on misperceptions and outright lies. In the avalanche of anti-Iran media commentaries, conspicuously absent is any reference to important facts, coupled with a twisted representation of the developments over the past 25 years. Before the international community is lead to another "crisis of choice", it is imperative that the public knows all the facts and is empowered to make an informed and sober decision about an impending catastrophe.

1- Systematic Pattern of Denial of Iran's Rights and Its Impact on Transparency

Since early 1980s, Iran's peaceful nuclear program and its inalienable right to nuclear technology have been the subject of the most extensive and intensive campaign of denial, obstruction, intervention and misinformation.

- Valid and binding contracts to build nuclear power plants were unilaterally abrogated;
 - Nuclear material rightfully purchased and owned by Iran was illegally withheld;
 - Exercise of Iran's right as a shareholder in several national and multinational nuclear power corporations was obstructed;
 - Unjustified and coercive interventions were routinely made in order to undermine, impede and delay the implementation of Iran's nuclear agreements with third parties; and Unfounded accusations against Iran's exclusively peaceful nuclear program were systematically publicized.
- As a result, and merely in order to prevent further illegal and illegitimate restrictions on its ability to procure its needed materials and equipments, Iran had been left with no option but to be discrete in its perfectly legal and exclusively peaceful activities. In doing so, Iran broke no laws nor diverted its peaceful program to military activities. It only refrained from disclosing the details of its programs. In nearly all cases, it was not even obliged to disclose these programs under its safeguards agreement with the IAEA.

Therefore, while Iran's rights under the NPT continued to be grossly and systematically violated, and while major state parties to the Treaty persisted in their non-compliance with many of their obligations under Articles I, IV and VI of the Treaty in general, and under paragraph 2 of Article IV vis-à-vis Iran in particular, Iran nevertheless continued to diligently comply with all its obligations under the Treaty.

2. Nuclear Technology OR Nuclear Weapons?

A vicious cycle of restrictions on Iran's nuclear program and attempts by Iran to circumvent them through concealment and black market acquisitions have fueled mutual suspicions. In this self-perpetuating atmosphere, the conclusion is already drawn that Iran's declared peaceful nuclear program is just a cover for developing atomic weapons. But this conclusion is based on two erroneous assumptions, which have been repeated often enough to become conventional wisdom.

2.1- Iran Needs Nuclear Energy

2.1.1. Nuclear Energy for an Oil-Rich Country

The first is that Iran has vast oil and gas resources and therefore does not need nuclear energy. Although it is true that Iran is rich in oil and gas, these resources are finite and, given the pace of Iran's economic development, they will be depleted within two to five decades. With a territory of 1,648,000 km² and a population of about 70 million, projected to be more than 105 million in 2050, Iran has no choice but to seek access to more diversified and secure sources of energy. Availability of electricity to 46,000 villages now, compared to 4400 twenty five years ago, just as an example, demonstrates the fast growing demand for more energy. And the youthfulness of the Iranian population, with around 70% under 30, doesn't allow complacency when it comes to energy policy. To satisfy such growing demands, Iran can't rely exclusively on fossil energy. Since Iranian national economy is still dependant on oil revenue, it can't allow the ever increasing domestic demand affect the oil revenues from the oil export.

2.1.2. US Support for Iranian Nuclear Program

Iran's quest for nuclear energy picked momentum following a study in 1974 carried out by the prestigious US-based Stanford Research Institute, which predicted Iran's need for nuclear energy and recommended the building of nuclear plants capable of generating 20,000 megawatts of electricity before 1994. Now, 30 years later, Iran aims at reaching that level by 2020, which may save Iran 190 million barrels of crude oil or \$10 billion per year in today's prices.

Therefore, Iran's nuclear program is neither ambitious nor economically unjustifiable.

Diversification — including the development of nuclear energy — is the only sound and responsible energy strategy for Iran.

Even the US State Department was convinced of this in 1978 when it stated in a memo that the U.S. was encouraged by Iran's efforts to expand its non-oil energy base and was hopeful that the U.S.-Iran Nuclear Energy Agreement would be concluded soon and that U.S. companies would be able to play a role in Iran's nuclear energy projects.

2.1.3. Nuclear Fuel Cycle

Producing fuel for its nuclear power plants is an integral part of Iran's nuclear energy policy. While domestic production of fuel for this number of nuclear power plants makes perfect economic sense, Iran's decision should not be judged solely on economic grounds. Having been a victim of a pattern of deprivation from peaceful nuclear material and technology, Iran cannot solely rely on procurement of fuel from outside sources. Such dependence would in effect hold Iran's multi-billion dollar investment in power plants hostage to the political whims of suppliers in a tightly controlled market. Furthermore, it is self evident that the time-consuming efforts to gain the necessary technology and develop the capability for fuel production must proceed simultaneously with the acquisition and construction of nuclear power plants. Otherwise constructed plans may become obsolete in case of denial of fuel without a contingency capacity to produce it domestically.

2.2. Iran Does Not Need Nuclear Weapons for Its Security

The second false assumption is that because Iran is surrounded by nuclear weapons in all directions — the U.S., Russia, Pakistan and Israel — any sound Iranian strategists must be seeking to develop a nuclear deterrent capability for Iran as well.

It is true that Iran has neighbors with abundant nuclear weapons, but this does not mean that Iran must follow suit. In fact, the predominant view among Iranian decision-makers is that development, acquisition or possession of nuclear weapons would only undermine Iranian security. Viable security for Iran can be attained only through inclusion and regional and global engagement. Iran's history is the perfect illustration of its geo-strategic outlook. Over the past 250 years, Iran has not waged a single war of aggression against its neighbors, nor has it initiated any hostilities.

Iran today is the strongest country in its immediate neighborhood. It does not need nuclear weapons to protect its regional interests. In fact, to augment Iranian influence in the region, it has been necessary for Iran to win the confidence of its neighbors, who have historically been concerned with size and power disparities.

On the other hand, Iran, with its current state of technological development and military capability, cannot reasonably rely on nuclear deterrence against its adversaries in the international arena or in the wider region of the Middle East. Moreover, such an unrealistic option would be prohibitively expensive, draining the limited economic resources of the country. In sum, a costly nuclear-weapon option would reduce Iran's regional influence and increase its global vulnerabilities without providing any credible deterrence.

There is also a fundamental ideological objection to weapons of mass destruction, including a religious decree issued by the leader of the Islamic Republic of Iran prohibiting the development, stockpiling or use of nuclear weapons.

3. Negotiations with UK, France and Germany (EU3)

3.1. Iran's Transparency and Confidence-Building Measures

In October 2003, Iran entered into an understanding with France, Germany and the United Kingdom with the explicit expectation to open a new chapter of full transparency, cooperation and access to nuclear and other advanced technologies. Iran agreed to a number of important

transparency and voluntary confidence building measures and immediately and fully implemented them.

- It signed and immediately began full implementation of the Additional Protocol;
- It opened its doors to one of the most expansive and intrusive IAEA inspections;
- It provided a detailed account of its peaceful nuclear activities, all of which had been carried out in full conformity with its rights and obligations under the NPT; It began and has continuously maintained for the past 2 years a voluntarily suspension of its rightful enrichment of Uranium as a confidence building measure;
- It further expanded its voluntary suspension in February and November 2004, following agreements with EU3 in Brussels and Paris respectively, to incorporate activities which go well beyond the original IAEA's definition of "enrichment" and even "enrichment-related" activities.

3.1.1. Resolution of Outstanding Issues

Iran has worked closely with the IAEA, during the course of the last two years, to deal with the issues and questions raised about its peaceful nuclear program. All significant issues, particularly those related to the sources of HEU (Highly Enriched Uranium) have now been resolved. Indeed, except for few mostly speculative questions, nothing more remains to close this Chapter

3.1.2. No Indication of Non-Peaceful Activity

The Agency's thorough inspections of Iran have repeatedly confirmed Iran's assertion that no amount of inspection and scrutiny will ever show the slightest diversion into military activity. The Director-General confirmed in Paragraph 52 of his November 2003 report that "to date, there is no evidence that the previously undeclared nuclear material and activities referred to above were related to a nuclear weapons programme." After one more year and over a thousand person-days of the most rigorous inspections, the Director-General again confirmed in Paragraph 112 of his November 2004 report that "all the declared nuclear material in Iran has been accounted for, and therefore such material is not diverted to prohibited activities." This conclusion has been repeatedly reaffirmed in every statement by responsible authorities of the IAEA.

3.2. Broken Promises and Expanded Demands by the EU3

Regrettably, Iran received very little, if anything, in return for its transparency, cooperation and voluntary suspension of the exercise of its legitimate and inalienable right. The European negotiating partners, pressured by the US, instead of carrying out their promises of cooperation and open access, have repeatedly called for expansion of Iran's voluntary confidence building measures only to be reciprocated by more broken promises and expanded requests:

- The October 2003 promises of the EU3 on nuclear cooperation and regional security and non-proliferation was never even addressed.
- The February 2004 written and signed commitment by the EU3 to "work actively to gain recognition at the June 2004 Board of the efforts made by Iran, so that the Board works thereafter on the basis of Director-General reporting if and when he deems it necessary, in accordance with the normal practice pertaining to the implementation of Safeguards Agreements and the Additional Protocol" was violated, even though Iran had in fact carried out its part of the deal by expanding its suspension to include assembly and component manufacturing. Instead, the EU3 proposed a harsh resolution with further unjustifiable demands in June 2004;
- The EU3 never honored its recognition, in the Paris Agreement of November 2004, of "Iran's rights under the NPT exercised in conformity with its obligations under the Treaty, without discrimination."

In spite of its repeated and publicized claims, the EU3 never offered, throughout the negotiations process, any meaningful incentives to Iran, other than empty and demeaning "promises" of "consideration" of "possible future cooperation".

4. The Paris Agreement

In November 2004, following extensive negotiations, Iran and EU3 agreed on a package that has become known as the Paris Agreement. The objective of the Paris Agreement was to "to move forward" in "negotiations, with a view to reaching a mutually acceptable agreement on long term arrangements. The agreement will provide objective guarantees that Iran's nuclear programme is exclusively for peaceful purposes. It will equally provide firm guarantees on nuclear, technological

and economic cooperation and firm commitments on security issues.”

The Paris Agreement envisaged that “while negotiations proceed on a mutually acceptable agreement on long-term arrangements,” and “to build further confidence, Iran has decided, on a voluntary basis, to continue and extend its suspension to include all enrichment related and reprocessing activities.”

At the same time, the EU3 recognized “that this suspension is a voluntary confidence building measure and not a legal obligation” as well as “Iran's rights under the NPT exercised in conformity with its obligations under the Treaty, without discrimination.”

The Paris Agreement rested on the premise that the purpose of the Agreement was reaching mutually acceptable long term arrangements and that suspension was a temporary measure for as long as negotiations were making progress. The Agreement further envisaged specific mechanisms to monitor and assess progress.

4.1. March Report: Lack of Progress

In March 2005, in accordance with the Paris Agreement, senior officials from Iran and the three European countries were mandated to make an assessment of the progress that had been achieved. The reports of over three months of negotiations by the working groups, created by the Paris Agreement, made it evident that while there was every prospect for reaching a negotiated solution based on the Paris Agreement, and while Iran had made many significant and far-reaching proposals benefiting both sides, the EU3, faced with extraneous pressure, were simply trying to prolong fruitless negotiations. This policy, in addition to its devastating impact on mutual trust, was detrimental to Iran's interests and rights as it attempted to superficially prolong Iran's voluntary suspension by dragging the negotiations.

It also became evident that despite repeated requests by Iran from EU3 representatives to present their proposals and ideas on the implementation of various provisions of the Paris Agreement to the working groups, the European three did not have the intention or the ability to present its proposals on “objective guarantees that Iran's nuclear program is exclusively for peaceful purposes [and] equally ... firm guarantees on nuclear, technological and economic cooperation and firm commitments on security issues” as called for in that Agreement.

In short, it became evident that after massive pressure from the United States in the winter of 2005, the EU3 had conceded to unilaterally altering the Paris Agreement into solely an instrument of de-facto cessation of Iranian peaceful enrichment program, in violation of the letter and spirit of that Agreement.

4.2. Iran's Proposals

In February 2005, Iran suggested to the EU3 to ask the IAEA to develop technical, legal and monitoring modalities for Iran's enrichment program as objective guarantees to ensure that Iran's nuclear program would remain exclusively for peaceful purposes. While one member of EU3 accepted the suggestion, unfortunately the lack of consensus among the EU3 prevented resort to the IAEA as an authoritative and impartial framework for solving the impasse.

On March 23, 2005, in a clearly stated desire to salvage the Paris Agreement, Iran offered a collection of solutions for objective guarantees suggested by various independent scientist and observers from the United States and Europe. The package included:

1. Strong and mutually beneficial relations between Iran and the EU/EU3, which would provide the best guarantee for respect for the concerns of each side;
2. Confinement of Iran's enrichment program, in order to preclude through objective technical guarantees any proliferation concern:
 - a.
 - b. Open fuel cycle, to remove any concern about reprocessing and production of plutonium;
 - c. Ceiling of enrichment at LEU level;
 - d. Limitation of the extent of the enrichment program to solely meet the contingency fuel requirements of Iran's power reactors;
 - e. Immediate conversion of all enriched Uranium to fuel rods to preclude even the technical possibility of further enrichment; Incremental and phased approach to implementation in order to begin with the least sensitive aspects of the enrichment program and to gradually move to

enrichment as confidence in the program would be enhanced;

3. Legislative and regulatory measures

a.

b. Additional Protocol;

c. Permanent ban on the development, stockpiling and use of nuclear weapons through binding national legislation;

d. Enhancement of Iran's export control regulations;

4. Enhanced monitoring

a. Continued implementation of the Additional Protocol; and

b. Continuous on-site presence of IAEA inspectors at the conversion and enrichment facilities to provide unprecedented added guarantees.

4.2.1. EU3 Inability to React

Extraneous pressure had resulted in the absence of any desire or ability by EU3 to even consider any "objective guarantee" as called for in the Paris Agreement and instead to maneuver to achieve a de-facto cessation of Iran's lawful activities. This extraneous political element precluded even a serious review by EU3 of these independently worked out proposals, which continue to have the most credible potential of providing a basis for allaying all reasonable concerns.

Even Iran's further good-faith effort on April 29, 2005 to salvage the process by suggesting the negotiated resumption of the work of the UCF– which had never had any past alleged failures, and is virtually proliferation free – at low capacity and with additional confidence building and surveillance and monitoring measures was rejected outright by EU3 officials without even consideration at political level.

4.2.2. Prelude to Breakdown in Nuclear Talks

Iran replied to such intransigence with self-restraint to ensure that no opportunity was spared for an agreed settlement. In a ministerial meeting in Geneva in May 2005, Iran agreed to extend the period of full suspension for another two months, in response to a commitment made by the EU3 ministers to finally present their comprehensive package for the implementation of the Paris Agreement by the end of July or early August 2005, that is nearly nine months after the Agreement.

Iran made it clear in Geneva that any proposal by the EU3 must incorporate EU3's perception of objective guarantees for the gradual resumption of the Iranian enrichment program, and that any attempt to turn objective guarantees into cessation or long-term suspension were incompatible with the letter and spirit of the Paris Agreement and therefore unacceptable to Iran.

4.2.3. A Further Compromise Suggested by Iran

Eager to salvage the negotiations, in a further message to the Ministers, Iran offered the most flexible solution to the EU3 as they were finalizing their package:

Commencement of the work of Esfahan plant (UCF)

o At low capacity,

o Under full scope monitoring,

o Agreed arrangements for import of the feed material and export of the product;

• Initial limited operation at Natanz following

o Further negotiations on a mutually acceptable arrangement, or

o Allowing the IAEA to develop an optimized arrangement on numbers, monitoring mechanism and other specifics;

Full scale operation of Natanz:

o Based on a negotiated agreement;

o Synchronized with the fuel requirements of future light water reactors.

4.3. EU's Package: Too Many Demands, No Incentives

Against all its sincere efforts and maximum flexibility, on 5 August 2005 Iran received a disappointing proposal. It not only failed to address Iran's rights for peaceful development of nuclear technology, but did not offer anything to Iran in return. It even fell far short of correcting the illegal and unjustified restrictions placed on Iran's economic and technological development,

let alone providing firm guarantees for economic, technological and nuclear cooperation and firm commitments on security issues. While Iran had made it crystal clear that no incentive would be sufficient to compromise Iran's inalienable right to all aspects of peaceful nuclear technology, the offers of incentives incorporated in the proposal were in and of themselves demeaning and totally incommensurate with Iran and its vast capabilities, potentials and requirements.

4.3.1. Extra-Legal Demands of Binding Commitments from Iran

The proposal self-righteously assumed rights and licenses for the EU3 which clearly went beyond or even contravened international law and assumed obligations for Iran which have no place in law or practice. It incorporated a series of one-sided and self-serving extra-legal demands from Iran, ranging from accepting infringements on its sovereignty to relinquishing its inalienable rights.

It sought to intimidate Iran to accept intrusive and illegal inspections well beyond the Safeguards Agreement or the Additional Protocol. It asked Iran to abandon most of its peaceful nuclear program. It further sought to establish a subjective, discriminatory and arbitrary set of criteria for the Iranian nuclear program, which would have effectively dismantled most of Iran's peaceful nuclear infrastructure, criteria that if applied globally would only monopolize the nuclear industry for the Nuclear-Weapon States.

4.3.2. Vague, Conditional and Demeaning Offers to Iran

The proposal had absolutely no firm guarantees or commitments and did not even incorporate meaningful or serious offers of cooperation to Iran. It amounted to an elongated but substantively shortened and self-servingly revised version of an offer that had been proposed by EU3 and rejected by Iran in October 2004 even prior to the Paris Agreement. This indicated that there was no attempt on the part of EU3 to even take into consideration the letter and spirit of the Paris Agreement in their proposal.

This point is further illustrated by the fact that the proposal never even mentioned the terms "objective guarantees", "firm guarantees" or "firm commitments", which were the foundations of the Paris Agreement. Instead it tried to replace "objective guarantees" with termination of Iran's hard-gained peaceful nuclear program, and replace "firm guarantees and firm commitments" with vague, conditional and partial restatements of existing obligations.

In the area of security, the proposal did not go beyond repeating UN Charter principles or previously-made general commitments. Worse yet, the proposal even attempted to make EU3's commitment to these general principles of international law optional, partial, and conditional by prefacing the segment with the following statement: "The EU3 propose that, within the context of an overall agreement, this section could include, inter alia, the following mutual commitments in conformity with the Charter of the United Nations."

Another example is the negative security assurances provided in the proposal by the nuclear-weapon states of the EU3. The proposal offered the mere repetition -- only by UK and France -- of a universal commitment already made by all nuclear weapon states in 1995 to all NPT members. It even made the application of that commitment to Iran contingent on an overall agreement by stating "Within the context of an overall agreement and Iran's fulfillment of its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the United Kingdom and France would be prepared to reaffirm to Iran the unilateral security assurances given on 6 April 1995, and referred to in United Nations Security Council Resolution 984 (1995)."

In the area of technology cooperation, it failed to include even an indication -- let alone guarantees -- of the EU3's readiness to abandon or ease its violations of international law and the NPT with regard to Iran's access to technology. For instance, while under the NPT, the EU3 is obliged to facilitate Iran's access to nuclear technology, the proposal makes a conditional and ambiguous offer "not to impede participation in open competitive tendering." And far from the generally advertised offer of EU cooperation with Iran in construction of new nuclear power plants, the proposal generously offered to "fully support long-term co-operation in the civil nuclear field between Iran and Russia."

In the area of economic cooperation, the proposal only included a conditional recital of already existing commitments and arrangements. While most of the document amounted to general

promises of future considerations, even specific offers went no further than conditional expressions of "readiness to discuss." Two examples may be sufficient in this regard: "The EU3 would continue to promote the sale of aircraft parts to Iran and be willing to enter into discussion about open procurement of the sale of civil passenger aircraft to Iran." Or, "the EU3 and Iran, as well as the Commission, would discuss possible future oil and gas pipeline projects."

This proposal made it self-evident that negotiations were not "proceeding" as called for in the Paris Agreement, due to EU3 policy of disregarding the requirements of that Agreement, reverting to their pre-Agreement positions, and prolonging a semblance of negotiations without the slightest attempt to move forward in fulfilling their commitments under the Tehran or Paris Agreements. This protracted continuation was solely designed to keep the suspension in place for as long as it takes to make "cessation" a fait accompli. This was contrary to the letter and spirit of the Paris Agreement and was not in line with principles of good faith negotiations.

In short, the proposal, read objectively in the context of the negotiating history of the Paris Agreement as well as its letter and spirit, clearly illustrates the total abandonment of that Agreement by the EU3, who have conveniently accused Iran of the same.

4.3.3. Minimal Reaction from Iran

After such a long period of negotiations and all that Iran had done and continues to do in order to restore confidence as well as the flexibility that Iran has shown, there was no pretext for any further delay in the implementation of the first phase of Iran's proposal, by limited resumption of UCF at Isfahan, which has been free from any past alleged failures, and is virtually proliferation free. In this context, Iran informed the Agency of its decision to resume the uranium conversion activities at the UCF in Isfahan and asked the Agency to be prepared for the implementation of the Safeguards related activities in a timely manner prior to the resumption of the UCF activities.

4.4. Who Violated the Paris Agreement?

According to the Paris Agreement, "the suspension will be sustained while negotiations proceed on a mutually acceptable agreement on long-term arrangements." It also envisaged a mechanism for assessment of progress within three months. In the meeting of 23 March 2005, it was clear that there had been no progress over the preceding three months. As a clearly-stated attempt to salvage the agreement, Iran made its March 23rd proposal in terms of a package of objective guarantees.

The refusal of the EU3 to even consider that package coupled with their behavior in the course of the negotiations, their August 2005 proposal and their repeated statements during the time of the presentation of that proposal and since then made abundantly clear that under pressure from the US following the Paris Agreement, the EU3 had decided to unilaterally change the nature of the Paris Agreement. This amounted to a breach of the letter and spirit of the Paris Agreement as well as the principle of good-faith negotiations.

The EU3 negotiating posture and the empirical evidence of lack of progress had in fact removed any onus from Iran to continue the suspension. However, Iran decided to maintain the suspension of all enrichment related activities and resume only the UCF process, which is by definition a pre-enrichment process. Therefore, the assertion that Iran broke the Paris Agreement is a self-serving and factually false proposition. In fact, the reverse is the case.

5. Iran Goes the Extra Mile for a Negotiated Solution

The Islamic Republic of Iran has always wanted to ensure that no effort is spared in order to reach a negotiated resumption of its enrichment activities. It, therefore, engaged in good faith and intensive negotiations with the EU3 and other interested delegations during the Summit of the United Nations in September 2005 in order to remove obstacles to the resumption of good-faith and result-oriented negotiations in accordance with established rights and obligations under the NPT. In this context, Iran responded positively to a proposal which would have removed any concern about the continued operation of the UCF in Isfahan at lower capacity for a specific period to allow negotiations to reach results. Iran also agreed to resume negotiations with the EU3 and to consider all proposals that had been presented.

Furthermore, the President of the Islamic Republic of Iran, in his address to the General Assembly on September 17, 2005, made yet another far reaching offer of added guarantee by

inviting international partnership in Iran's enrichment activities.

While the President reiterated that Iran's right to have fuel cycle technology was not negotiable, he presented the following confidence-building positions and proposals in his statement:

- Readiness for constructive interaction and a just dialogue in good faith;
- Prohibition of pursuit of nuclear weapons in accordance with religious principles;
- Necessity to revitalize the NPT;
- Cooperation with the IAEA as the centerpiece of Iran's nuclear policy;
- Readiness to continue negotiations with the EU3;
- Readiness to consider various proposals that have been presented;

Welcome the proposal of South Africa to move the process forward;

- Acceptance of partnership with private and public sectors of other countries in the implementation of uranium enrichment program in Iran which engages other countries directly and removes any concerns.

6. Abuse of IAEA Machinery

Regrettably, the EU3, pressed by the United States, adopted a path of confrontation in the September 2005 IAEA Board of Governors meeting. In clear violation of their October 2003 and November 2004 commitments, the EU3 moved a politically motivated and factually and legally flawed resolution in the IAEA Board of Governors, and together with the United States and using all their combined diplomatic and economic leverages imposed it on the Board through an unprecedented resort to voting rather than the previously unbroken practice of consensus.

6.1. No Legal or Factual Grounds for IAEA "Findings"

The imposed resolution makes a mockery of the proceedings of the Board of Governors by rehashing alleged failures that had already been dealt with in the November 2003 Board. At that time, despite the existence of ambiguities and serious questions on important issues such as the source of HEU contamination, "findings" of "non-compliance" or "absence of confidence" in the exclusively peaceful nature of Iran's program were impossible.

The Board refrained from making such findings in 2003 not because of a now-claimed "voluntary restraint" by EU3, but because such were factually and legally impossible due to the nature of failures – which were solely of technical reporting character -- and also because of the fact that the Director-General had specifically stated in his November 2003 report that "to date, there is no evidence that the previously undeclared nuclear material and activities referred to above were related to a nuclear weapons programme." It is ironic that after two years of cooperation, over 1200 person/days of intrusive inspections, resolution of nearly all outstanding issues particularly the foreign source of contamination, and after repeated reiteration of the finding of non-diversion including the conclusion in the IAEA November 2004 report that "all the declared nuclear material in Iran has been accounted for, and therefore such material is not diverted to prohibited activities," the imposed resolution discovered ex post facto that the failures "detailed in Gov/2003/75 [the aforementioned report of November 2003] constitutes non-compliance."

6.2. The Real Story: Pressure to Deny Iran's Inalienable Rights

While the resolution attempted to create a convenient – albeit false – pretext of these alleged and old reporting failures for its so-called "findings", it is abundantly clear that the reason for production of this resolution was by no means those alleged failures, but instead the resumption of Iran's perfectly legal and safeguarded activities in Isfahan.

In this context, it must be underlined that all States party to the NPT, without discrimination, have an inalienable right to produce nuclear energy for peaceful purposes. As this right is "inalienable", it cannot be undermined or curtailed under any pretext. Any attempt to do so, would be an attempt to undermine a pillar of the Treaty and indeed the Treaty itself.

Iran, like any other Non-Nuclear-Weapon State, had no obligation to negotiate and seek agreement for the exercise of its "inalienable" right, nor could it be obligated to suspend it. Suspension of Uranium enrichment, or any derivative of such suspension, is a voluntary and temporary confidence-building measure, effectuated by Iran in order to enhance cooperation and close the chapter of denials of access to technology imposed by the west on Iran. It is not an end in itself, nor can it be construed or turned into a permanent abandonment of a perfectly lawful

activity, thereby perpetuating, rather than easing, the pattern of denial of access to technology. The suspension of Uranium enrichment has been in place for nearly two years, with all its economic and social ramifications affecting thousands of families. The EU3 failed to remove any of the multifaceted restrictions on Iran's access to advanced and nuclear technology. In a twist of logic, it even attempted to prolong the suspension, thereby trying to effectively widen its restrictions instead of fulfilling its commitments of October 2003 and November 2004 to remove them.

As the IAEA Board of Governors had underlined in its past and current resolution, suspension "is a voluntary, non-legal binding confidence building measure". When the Board itself explicitly recognizes that suspension is "not a legally-binding obligation", no wording by the Board can turn this voluntary measure into an essential element for anything. In fact the Board of Governors has no factual or legal ground, nor any statutory power, to make or enforce such a demand, or impose ramifications as a consequence of it.

7. The Way Forward: No Coercion, Good-Faith Negotiations

The recently imposed resolution on the IAEA Board of Governors is devoid of any legal authority, and any attempt to implement it will be counter-productive and will leave Iran with no option but to suspend its voluntary confidence building measures. The threat of referral to the Security Council will only further complicate the issue and will not alter Iran's resolve to exercise its legitimate and inalienable rights under the NPT. At the same time, Iran is determined to pursue good-faith interaction and negotiations, based on equal footing, as the centerpiece of its approach to the nuclear issue. A diplomatic and negotiated framework is the desired approach for a successful outcome and Iran is ready to consider all constructive and effective proposals. Iran welcomes consultations and negotiations with other countries in order to facilitate the work of the Agency and calls on the EU3 to replace the course of confrontation with interaction and negotiation to reach understanding and agreement.

- The Islamic Republic of Iran is committed to non-proliferation and the elimination of nuclear weapons, and considers nuclear weapons and capability to produce or acquire them as detrimental to its security. Iran will continue to abide by its obligations under the NPT and will continue to work actively for the establishment of a zone free from weapons of mass destruction in the Middle East.
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