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## Iran's Continuing Pursuit of Weapons of Mass Destruction

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Testimony Before the House International Relations Committee Subcommittee on the Middle East and Central Asia

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Thank you, Madam Chairwoman, for the opportunity to testify today before this Subcommittee to discuss Iran's weapons of mass destruction (WMD) programs and what the Bush Administration is doing to stop them.

I will cover all of Iran's WMD programs and will provide detailed comments on Iran's extensive covert nuclear weapons program. All of Iran's WMD efforts -- chemical weapons, biological weapons, nuclear weapons, and ballistic missiles -- pose grave threats to international security. Iran's pursuit of these deadly weapons, despite its adherence to treaties that ban them marks it as a rogue state, and it will remain so until it completely, verifiably and irreversibly dismantles its WMD-related programs.

### Chemical Weapons

We believe Iran has a covert program to develop and stockpile chemical weapons. The U.S. Intelligence Community reported in its recent unclassified *Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions*, also known as the "721 Report," that Iran continues to seek production technology, training, and expertise that could further its efforts to achieve an indigenous capability to produce nerve agents. A forthcoming edition of the 721 report is expected to state that "Iran may have already stockpiled blister, blood, choking, and nerve agents -- and the bombs and artillery shells to deliver them -- which it previously had manufactured."

Iran is a party to the Chemical Weapons Convention (CWC). The CWC's central obligation is simple: no stockpiling, no development, no production, and no use of chemical weapons. The overwhelming majority of States Parties abide by this obligation. Iran is not, and we have made this abundantly clear to the Organization for the Prohibition of Chemical Weapons (OPCW). Although Iran has declared a portion of its CW program to the OPCW. It is time for Iran to declare the remainder and make arrangements for its dismantlement and for the destruction of its chemical weapons.

## **Biological Weapons**

The U.S. Intelligence Community stated in its recent 721 Report that, "Tehran probably maintains an offensive BW program. Iran continued to seek dual-use biotechnical materials, equipment, and expertise. While such materials had legitimate uses, Iran's biological warfare (BW) program also could have benefited from them. It is likely that Iran has capabilities to produce small quantities of BW agents, but has a limited ability to weaponize them." Because BW programs are easily concealed, I cannot say that the United States can prove beyond a shadow of a doubt that Iran has an offensive BW program. The intelligence I have seen suggests that this is the case, and, as a policy matter therefore, I believe we have to act on that assumption. The risks to international peace and security from such programs are too great to wait for irrefutable proof of illicit activity: responsible members of the international community should act to head off such threats and demand transparency and accountability from suspected violators while these threats are still emerging. It would be folly indeed to wait for the threat fully to mature before trying to stop it.

Iran is a party to the Biological Weapons Convention (BWC) and the 1925 Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare. Like the CWC, the central obligation of the BWC is simple: no possession, no development no production and, together with the 1925 Protocol, no use of biological weapons. The overwhelming majority of States Parties abide by these obligations. We believe Iran is not abiding by its BWC obligations, however, and we have made this abundantly clear to the parties of this treaty. It is time for Iran to declare its biological weapons program and make arrangements for its dismantlement.

## **Ballistic Missiles**

Iran continues its extensive efforts to develop the means to deliver weapons of mass destruction. Thanks to assistance from entities -- including government-owned entities -- in North Korea, Russia, and China, Iran is developing a variety of liquid-propellant and solid-propellant ballistic missiles. Iran's ballistic missile inventory is among the largest in the Middle East and includes some 1,300-km-range Shahab-3 medium-range ballistic missiles (MRBMs) and a few hundred short-range ballistic missiles (SRBMs) -- including the Shahab-1 (Scud-B), Shahab-2 (Scud C), and Tondar-69 (CSS-8) -- as well as a new solid-propellant SRBM, the Fateh-110. The 1,300-km range Shahab-3 missile is a direct threat to Israel, Turkey, U.S. forces in the region, and U.S. friends and allies.

In addition, we believe Iran has programs to develop longer-range missiles that will be able to strike additional targets throughout the region or that will allow Iran to launch missiles against Israel from locations further within Iranian territory. Finally, Iran is likely to develop IRBMs or ICBMs capable of delivering payloads to Western Europe or the United States. I want to emphasize this point: Iran is acquiring the means to produce ever more sophisticated and longer-range missiles. If they are successful in this endeavor, our attempts to slow the missile trade will have little effect on Iran's already-developing indigenous missile capability.

North Korea is one of the main suppliers of ballistic missiles, missile equipment, and production technology to Iran. North Korea provided Iran with the technology to produce the SCUD B (300 km range) and SCUD C (500 km range) missiles. In addition, the Shahab-3 medium-range ballistic missile is based on the North Korean No Dong missile.

Foreign assistance has been key to the development of Iran's ballistic missile programs. Such assistance during the first half of 2003 included equipment, technology, and expertise and has helped Iran move toward its goal of becoming

self-sufficient in the production of ballistic missiles. Although Iran is not a member of the Missile Technology Control Regime (MTCR), a multilateral arrangement aimed at stemming the proliferation of ballistic missiles or the International Code of Conduct Against Ballistic Missile Proliferation (ICOC), Iran has engaged in substantial trade in missile technology with countries that ought to know better.

### **The U.S. Response to BW, CW, and Missile Technology Transfers to Iran**

Since the Bush Administration took office, we have imposed trade sanctions involving WMD-related transfers to Iran more than 50 times. The Iran Nonproliferation Act (INPA) of 2000 has been our most valuable tool in enabling the Bush Administration to punish proliferators for their illegal transfers of WMD and missile technology. Despite these efforts, some companies, which we brand as serial proliferators, continue to sell materials that could advance Iran's WMD and missile programs. These serial proliferators include the Chinese companies NORINCO, CPMIEC, Zibo Chemical and others, and from North Korea, the Changgwang Sinyong Corporation. But we don't just go after these serial proliferators, we go where the evidence leads us. In the last INPA report, we sanctioned the usual suspects from Russia, China and North Korea. But we also sanctioned companies from Taiwan, Macedonia and Belarus. We want any proliferators, whether a conglomerate like NORINCO or a small missile parts company from Macedonia, to understand that the U.S. will impose economic burdens and brand them as proliferators. It is a message we believe is getting through.

In our efforts to halt such dangerous and destabilizing trade and punish companies and individuals for the proliferation of missile technology to Iran, the United States has imposed Executive Order and Missile Sanctions Law sanctions five times on four different entities for missile-related technology transfers to Iran since 2001. In addition, we have held numerous diplomatic discussions with various supplier nations, both MTCR members and non-MTCR members, in an effort to persuade them to investigate and stop Iranian efforts to procure missile-relevant items in their countries.

### **Nuclear Weapons**

The United States strongly believes that Iran has a clandestine program to produce nuclear weapons, and has been warning publicly about Tehran's weapons ambitions for over a decade.

We know Iran is developing uranium mines, a uranium conversion facility (UCF), a massive uranium enrichment facility designed to house tens of thousands of centrifuges, numerous centrifuge production workshops, a heavy water production plant, and a laser enrichment facility. We know that Iran has violated its NPT and IAEA commitments by covertly enriching uranium, by covertly producing and separating plutonium, by secretly converting yellowcake into uranium hexafluoride (UF<sub>6</sub>), and by secretly producing uranium metal and by failing to declare any of these activities to the IAEA. Iran secretly procured P-1 centrifuge components from the A.Q. Khan nuclear proliferation network, as well as P-2 components, developed the means to manufacture centrifuge components domestically (including in military workshops), and -- contrary to its commitments to the IAEA and to three European governments -- continues to produce components today. Iran has announced plans to "hot test" its UCF at Esfahan, which will produce UF<sub>6</sub>, in clear violation of its promises to suspend all enrichment-related activity. Moreover, Iran continues with plans to build additional unnecessary nuclear capabilities, such as a heavy-water reactor -- a facility ideally suited to produce large quantities of plutonium usable in a nuclear weapon, which also explains Iran's secret experiments with reprocessing plutonium behind the back of the International Atomic Energy Agency (IAEA). The designs for that

facility underscore the weapons intent, as do Iran's experiments to produce polonium-210, a weapons initiator.

The costly infrastructure to perform all of these activities goes well beyond any conceivable peaceful nuclear program. No comparable oil-rich nation has ever engaged, or would be engaged, in this set of activities -- or would pursue them for nearly two decades behind a continuing cloud of secrecy and lies to IAEA inspectors and the international community -- unless it was dead set on building nuclear weapons.

Let me describe for you what the IAEA Board of Governors has said about Iran in the last year:

#### June 2003

The June 19, 2003 statement by the Board of Governors "shared the concern expressed by the Director General in his report at the number of Iran's past failures to report material, facilities and activities as required by its safeguards obligations," and went on to say "the Board urged Iran promptly to rectify all safeguards problems identified in the report and resolve questions that remain open."

The June 2003 Board statement also encouraged Iran not to introduce nuclear material into centrifuges, and to cooperate fully with the Agency, including permitting the IAEA to take samples at the Kalaye Electric Company workshop involved with enrichment activities.

#### September 2003

On September 12, 2003, the Board passed a resolution expressing concern that "information and access were at times slow in coming and incremental, that some of the information was in contrast to that previously provided by Iran, and that there remained a number of important outstanding issues that require urgent resolution." The Board noted with concern that:

- the Agency environmental sampling at Natanz revealed the presence of two types of highly enriched uranium;
- IAEA inspectors found considerable modifications had been made to the premises at the Kalaye Electric Company prior to inspections that may impact on the accuracy of environmental sampling;
- some of Iran's statements of the IAEA had undergone significant and material changes, and that the number of outstanding issues had increased since the last report;
- despite the Board's June 2003 statement encouraging Iran not to introduce nuclear material into its pilot centrifuge enrichment cascade at Natanz, Iran introduced such material.

The September 2003 Board resolution also expressed "grave concern that, more than one year after initial IAEA inquiries to Iran about undeclared activities, Iran has still not enabled the IAEA to provide the assurances required by Member

States that all nuclear material in Iran is declared and submitted to Agency safeguards and that there are no undeclared nuclear activities in Iran,” and called on Iran to:

- “provide accelerated cooperation and full transparency to allow the Agency to provide at an early date the assurances required by Member States.”
- “ensure that there are no further failures to report material, facilities and activities that Iran is obligated to report pursuant to its safeguards agreement.”
- “suspend all further uranium enrichment-related activities, including the further introduction of nuclear material into Natanz, and, as a confidence-building measure, any reprocessing activities.”

Finally, the Board decided that “it is essential and urgent in order to ensure IAEA verification of non-diversion of nuclear material that Iran remedy all failures identified by the Agency and cooperate fully with the Agency to ensure verification of compliance with Iran’s safeguards agreement by taking all necessary actions by the end of October 2003, including:

- Providing a full declaration of all imported material and components relevant to the enrichment program;
- Granting unrestricted access, including environmental sampling, for the Agency to whatever locations the Agency deems necessary;
- Resolving questions regarding the conclusion of Agency experts that process testing on gas centrifuges must have been conducted;
- Providing complete information regarding the conduct of uranium conversion experiments;
- Providing such other information and explanations, and taking such other steps as are deemed necessary by the Agency to resolve all outstanding issues involving nuclear materials and nuclear activities.

### November 2003

On November 26, 2003, the Board passed a resolution noting “with deep concern that Iran has failed in a number of instances over an extended period of time to meet its obligations under its Safeguards Agreement with respect to reporting of nuclear material, and its processing and use, as well as the declaration of facilities where such material has been processed and stored.” Other provisions of the November 2003 resolution...

- ...noted “with gravest concern, that Iran enriched uranium and separated plutonium in undeclared facilities, in the absence of IAEA safeguards” and “with equal concern, that there has been in the past a pattern of concealment resulting in breaches of safeguard obligations and that the new information disclosed by Iran and reported by the Director General includes much more that is contradictory to information previously provided by Iran.”
- ...“strongly deplores Iran’s past failures and breaches of its obligation to comply with the provisions of its Safeguards Agreement, as reported by the Director General; and urges Iran to adhere strictly to its obligations under its Safeguards Agreement in both letter and spirit.”
- ...called on Iran “to undertake and complete the taking of all necessary corrective measures on an urgent basis, to sustain full cooperation with the Agency in implementing Iran’s commitment to full disclosure and unrestricted access, and thus to provide the transparency and openness that are indispensable for the Agency to complete the considerable work necessary to provide and maintain the assurances required by Member States,” and decided “that, should any further serious failures come to light, the Board of Governors would meet immediately to consider, in the light of the circumstances and of advice from the Director General, all options at its disposal, in accordance with the IAEA Statute and Iran’s Safeguards Agreement.”

#### March 2004

On March 13, 2004, the Board passed a resolution that stated “serious concern that the declarations made by Iran in October 2003 did not amount to the complete and final picture of Iran’s past and present nuclear program considered essential by the Board’s November 2003 resolution, in that the Agency has since uncovered a number of omissions -- e.g., a more advanced centrifuge design than previously declared, including associated research, manufacturing and testing activities; two mass spectrometers used in the laser enrichment program; and designs for the construction of hot cells at the Arak heavy water research reactor -- which require further investigation, not least as they may point to nuclear activities not so far acknowledged by Iran.” The March 2004 resolution also...

- ...noted “with equal concern that Iran has not resolved all questions regarding the development of its enrichment technology to its current extent, and that a number of other questions remain unresolved, including the sources of all HEU contamination in Iran; the location, extent, and nature of work undertaken on the basis of the advanced centrifuge design; the nature, extent, and purpose of activities involving the planned heavy-water reactor; and evidence to support claims regarding the purpose of polonium-210 experiments.”
- ...noted with concern that “Iran’s and Libya’s conversion and centrifuge programs share several common elements, including technology largely obtained from the same foreign sources.”
- ...“deplored that Iran, as detailed in the report of the Director General, omitted any reference, in its letter of 21 October 2003, which was to have provided the “full scope of Iranian nuclear activities” and a “complete centrifuge R&D chronology,”

to its possession of P-2 centrifuge design drawings and to associated research, manufacturing, and mechanical testing activities -- which the Director General describes as "a matter of serious concern, particularly in view of the importance and sensitivity of those activities."

- ...called on Iran "to be pro-active in taking all necessary steps on an urgent basis to resolve all outstanding issues, including the issue of LEU and HEU contamination at the Kalaye Electric Company workshop and Natanz; the issue of the nature and scope of Iran's laser isotope enrichment research; and the issue of the experiments on the production of polonium-210."

#### June 2004

Last week, on June 18, 2004, the Board resolution passed a resolution that "deplores ... the fact that, overall, as indicated by the Director General's written and oral reports, Iran's cooperation has not been as full, timely, and proactive as it should have been, and, in particular, that Iran postponed until mid-April visits originally scheduled for mid-March -- including visits of Agency centrifuge experts to a number of locations involved in Iran's P-2 centrifuge enrichment program -- resulting in some cases in a delay in the taking of environmental samples and their analysis."

The Board also recalled Iran's decision to suspend all enrichment-related and reprocessing activities and to permit the Agency to verify that suspension, and noted with concern that:

- "as detailed in the Director General's report, this verification was delayed in some cases, and that the suspension is not yet comprehensive because of the continued production of centrifuge equipment";
- "Iran's decision to proceed with the generation of UF6 is at variance with the Agency's previous understanding as to the scope of Iran's decision regarding suspension";
- "Iran has withheld 10 assembled centrifuge rotors for research activities."

The June 2004 resolution also...

- ...noted "with concern that after almost two years from when Iran's undeclared program came to the Agency's knowledge a number of questions remain outstanding, and in particular two questions that are key to understanding the extent and nature of Iran's enrichment program: the sources of all HEU contamination in Iran and the extent and nature of work undertaken on the basis of the P-2 advanced centrifuge design."
- ...noted "with serious concern that important information about the P-2 centrifuge program has often been forthcoming only after repeated requests, and in some cases has been incomplete and continues to lack the necessary clarity and also that the information provided to date relating to contamination issues has not been adequate to resolve this complex matter."

- ...noted “with concern that the Agency’s investigations have revealed further serious omissions in the statements made by Iran, including in the October declaration, in particular concerning the importation of P-2 components from abroad and concerning laser enrichment tests, which have produced samples enriched up to 15%, and also that Agency experts have raised questions and doubts regarding the explanations provided by Iran concerning those programs.”
- ...called on Iran “to take all steps necessary on an urgent basis to help resolve all outstanding issues, especially HEU and LEU contamination...and the scope of Iran’s P-2 centrifuge program.”
- ...called on Iran immediately to correct all remaining shortcomings, to refrain from production of UF<sub>6</sub>, and to reconsider the decision to start construction of a heavy water reactor.

The United States believes the time to report this issue to the Security Council is long overdue. We are working closely with our friends and allies to urge an IAEA Board of Governors resolution that declares Iran in noncompliance with its IAEA safeguards obligations and reports that noncompliance to the UN Security Council. It is not a question of “if”, but of “when” the IAEA Board will report that noncompliance. We believe it must happen soon, or risk eroding an important part of the IAEA safeguards system, and risk sending a signal to would-be proliferators that there are not serious consequences for pursuing secret nuclear weapons programs.

The United States and all of its G-8 partners were united in expressing their concern about Iran at the Sea Island Summit, stating that “[we are] deeply concerned that Iran’s suspension of enrichment-related activity is not yet comprehensive. We deplore Iran’s delays, deficiencies in cooperation, and inadequate disclosures, as detailed in IAEA Director General reports. We therefore urge Iran promptly and fully to comply with its commitments and all IAEA Board requirements, including ratification and full implementation of the Additional Protocol, leading to resolution of all outstanding issues related to its nuclear program.”

Alarm about Iran’s nuclear weapons effort has grown at the IAEA over the last year. Since June 2003, the IAEA Director General has issued five damaging reports on Iran’s failure to adhere to the IAEA safeguards rules it is required to obey pursuant to Article III of the NPT. Every subsequent report contains language confirming that previous Iranian statements made to the IAEA were false or incomplete. The IAEA has repeatedly deplored Iran’s deception and lack of cooperation with its inspectors. In response, Iran has defiantly rejected calls by the IAEA and its members to come clean on its nuclear program.

Iran has pursued two separate methods for uranium enrichment. It has established a number of workshops for the manufacture and testing of centrifuges (many of which are owned by military industrial organizations), a pilot enrichment facility designed for 1,000 centrifuges, and a large buried facility intended to house up to 50,000 centrifuges. In parallel, Iran has pursued another program to enrich uranium with lasers. Both of these programs were not declared to IAEA inspectors who had visited Iran for years until an Iranian opposition group disclosed their existence.

Iran has developed a program that would allow for the production of plutonium, an alternate path to nuclear weapons. Iran is building a large heavy water production plant, also covertly until disclosed by an Iranian opposition group. Its purpose is

to supply heavy water for a research reactor that Iran plans to begin constructing this year. The technical characteristics of the heavy water moderated research reactor Iran plans to build are optimal for the production of weapons-grade plutonium.

Another potential source of plutonium for weapons is the Bushehr light-water power reactor, which is currently under construction. That reactor is under IAEA safeguards and Iran and Russia are discussing an agreement to return all spent fuel to Russia. However, if Iran should withdraw from the Nonproliferation Treaty and renounce this agreement with Russia, according to Paul Leventhal of the Nuclear Control Institute, the Bushehr reactor would produce a quarter ton of plutonium per year which Leventhal says is enough for at least 30 nuclear bombs.

The safeguards violations uncovered by the IAEA include:

- Iran's failure to report the production of plutonium by covertly introducing uranium targets into the safeguarded Tehran Research Reactor and subsequently reprocessing the irradiated targets to separate the plutonium;
- the failure to report the import and use of uranium hexafluoride for testing centrifuges and production of enriched uranium; and
- the failure to report the use of uranium metal for laser enrichment experiments including production of enriched uranium, which, as we have recently learned, was enriched to up to 15%, well beyond the level needed for reactor fuel.

Iran has a long history of denying the IAEA full access to its nuclear program. The most recent example occurred in March 2004, when Iran denied IAEA inspectors access to several suspicious facilities for a month, long enough to ensure that the report being prepared for the June 2004 Board of Governors meeting would be unable to include data from inspections of these locations.

Another unmistakable indicator of Iran's intentions is the pattern of repeatedly lying to and providing false and incomplete reports to the IAEA. For example, Iran first denied it had enriched any uranium. Then it said it had not enriched uranium more than 1.2 percent. Later, when evidence of uranium enriched to 36 percent was found, it attributed this to contamination from imported centrifuge parts.

Iran also denied the existence of a laser enrichment program, but backtracked and confessed the truth when confronted with irrefutable technical evidence from IAEA inspections. However, it claimed that the equipment was only able to enrich uranium up to 3% or slightly beyond. The June 2004 Director General's report states Iran had achieved levels of enrichment of up to 15% in some samples. Iran's dubious explanation for producing polonium-210, a short-lived, highly radioactive element used as a neutron initiator in nuclear weapons, was that it was intended for use in nuclear batteries that could be used in satellites and deep space programs. Obviously, the IAEA does not accept that as a credible explanation for Iran's experiments.

Perhaps the most blatant instance of Iranian deception concerned concealment and misleading statements on its effort to acquire and build centrifuges, including the more advanced P-2s. Iran's pattern of lies and shifting stories about its P-1 centrifuge work has been well documented by the IAEA and discussed in the press over the last year. After an initial claim of having no centrifuge program, Iran has moved through a dizzying variety of shifting stories, each modified upon the discovery of contradictory information. It had done no centrifuge work; then it admitted working on some centrifuges, then a lot of centrifuges. It denied foreign procurement, then it admitted procuring foreign designs, and then admitted procuring foreign components. It denied doing any centrifuge testing, but then admitted centrifuge testing with UF6.

And all that was just with respect to P-1 centrifuges. In February 2004, the Director General reported to the IAEA Board of Governors that it had discovered evidence of the advanced P-2 design centrifuges that was omitted from Iran's October 2003 declaration to the IAEA. This declaration was supposed to provide the "full scope of Iranian nuclear activities" and a "complete centrifuge R&D chronology" -- but it obviously did not. As described earlier, in response to this discovery, the Board of Governors passed a resolution in March 2004 that deplored Iran's concealment of the P-2 information.

Incredibly, this was not the final word on this story. A June 1, 2004 report by the IAEA Director General detailed how the last set of statements Iran made about its P-2 centrifuges were also incomplete and false. The IAEA explained that Iran's P-2 centrifuge effort was much more extensive than it had claimed in February, and that Iran had acquired and attempted to acquire substantial quantities of material for P-2 centrifuges from abroad despite earlier official denials of such procurement. (Iran even had the effrontery to circulate an official document at the IAEA Board meeting last February denying any foreign P-2 procurement. As noted, this was false. The June report also made it clear that the IAEA did not believe Iran's assertion that it started acquiring P-2 technology in 1995 but did not begin to assemble them until 2001 or test them until 2002. Iran also attempted to influence the June 2004 report on this matter by not providing the IAEA with key information on it until 30 May 2004, which was too late to be included in the report

Iran's attempt to redirect attention from the P-2 issue at the IAEA Board of Governors last week by flagging a minor revision made to the Director General's June 1 report as a significant error. This ploy backfired, since it drew the IAEA Board's attention back to the major unresolved inconsistencies in Iran's declarations, and to the fact that Iran's official position continued to be a denial of having imported P-2 centrifuge parts until the IAEA confronted it with proof to the contrary.

Other cover stories put forward by Iran for the development of a nuclear fuel cycle and for individual facilities are simply not credible. For example, Iran is making an enormous investment in facilities to mine, process, and enrich uranium, and says it needs to make its own reactor fuel because it cannot count on foreign supplies. But for at least the next decade Iran will have at most a single nuclear power reactor. In addition, Iran does not have enough indigenous uranium resources to fuel even one reactor over its lifetime -- though it has quite enough to make several nuclear bombs. We are being asked to believe that Iran is building uranium enrichment capacity to make fuel for reactors that do not exist from uranium Iran does not have.

Iran would have us believe it is building a massive uranium enrichment facility without having tested centrifuge machines, and building a heavy water production plant with no evident legitimate use for the product. The more credible explanation is that Iran is building the infrastructure to produce highly enriched uranium in centrifuges and plutonium in a heavy water moderated reactor.

Finally, there is Iran's claim that Iran is building massive and expensive nuclear fuel cycle facilities to meet future electricity needs, while preserving oil and gas for export. All of this strains credulity. Iran's uranium reserves are miniscule, accounting for less than one percent of its vast oil reserves and even larger gas reserves. Iran's gas reserves are the second largest in the world, and the industry estimates that Iran flares enough gas annually to generate electricity equivalent to the output of four Bushehr reactors.

Several weeks before the November 2003 meeting of the IAEA Board, the Foreign Ministers of the United Kingdom, France, and Germany went to Tehran. The result was a public statement committing Iran to cooperate fully with the IAEA and to suspend uranium enrichment activities, something the IAEA Board had called for in its June 2003 resolution. The same parties reached a further elaboration of this commitment in Brussels in February, prior to the March 2004 Board of Governors meeting.

We are concerned that Iran's nuclear weapons program continues secretly and in parallel with this engagement between Iran and the Europeans. Indeed, we believe that Iran is continuing to pursue a strategic decision to acquire nuclear weapons. The revelations in the Director General's reports of February and June of 2004 that the production of centrifuge components continues in Iran and IAEA discovery of repeated Iranian deception over P-2 centrifuges despite Iran's pledge last fall to suspend its enrichment activities and provide a full accounting of its nuclear program, raise serious doubts about Iran's commitments to the Europeans.

Repeated public statements by senior Iranian officials that the suspension of enrichment activities is only temporary and their enrichment program will resume once the issues with the IAEA are resolved raise further questions whether the undertakings between Iran and the Europeans are having the desired effect of turning Iran away from its nuclear weapons effort. Here is a sample of the statements made by Iranian officials about the uranium enrichment suspension through March 2004:

- In October 2003, Hasan Rowhani, the head of Iran's Supreme National Security Council stated that although Iran's enrichment suspension was to go into effect immediately, he said it could last for one day or one year.
- Rowhani was later more explicit that the suspension of enrichment is temporary, stating on November 29, 2003, that "a permanent suspension has never been an issue and will never be." On March 7, 2004, he said that "there is nothing permanent ... when to resume is in the hands of our system."
- Supreme Leader Ali Khamenei said on November 2 that Iran would not "give up" enrichment "at any price."

Statements by Iranian officials last week on the enrichment suspension have been even more forceful.

- Rowani reacted angrily to last week's Board of Governors resolution on Iran, saying that "Iran will reconsider its decision about suspension and will do some uranium activity in the coming days."

Foreign Ministry spokesman Mr Hamid Reza Assefi said on June 20th that "Iran feels itself no longer obliged to its commitments with the European Union trio and will revise its policies on nuclear activities and announce the new decisions within the coming days."

- Iranian President Mohamed Khatami declared that Iran was no longer bound by any "moral commitment" to continue suspending uranium enrichment, and could reject the IAEA decision.

The Iranian nuclear weapons program, compounded by the Iranian effort to develop long-range missiles, is one of the most serious nonproliferation challenges -- and challenges to the credibility of the NPT regime -- we face today. It is clear that Iran draws from many of the same networks (including the A.Q. Khan organization) that supplied Libya with nuclear technology, components, and materials, including nuclear weapons designs. Ending Iran's program is a priority objective of the United States and the international community.

### **The Bush Administration's Response to Iran's Nuclear Weapon's Program**

Despite all Iran has done, it is not too late to halt and reverse Iran's pursuit of nuclear weapons. The United States is using all available diplomatic tools to this end. We have focused special attention on Russia, the supplier of the Bushehr reactor. Following sustained high-level exchanges, initiated by President Bush, we believe that Russia now shares our concern about Iran's nuclear activities, joins us in supporting the IAEA's ongoing inspections, and backed language in the Sea Island Summit declaration deploring Iran's failure to cooperate with the IAEA.

Additionally, Russia recently joined the core group of nations participating in the Proliferation Security Initiative (PSI), a robust new tool for counter-proliferation launched one year ago by President Bush. PSI is designed to stop the spread of WMDs, their delivery systems, and related materials to non-state actors and proliferant states such as Iran. The overwhelmingly positive response and enhanced awareness that PSI has fostered globally about real, practical steps that can be taken to defeat proliferators is a testament to the importance that countries attach to confronting the challenge of proliferation and developing innovative tools to combat it. More than sixty nations attended the First Anniversary PSI Meeting held a few weeks ago in Krakow, Poland, demonstrating the global support for the PSI and the recognition that the proliferation of WMD is one of the gravest threats we face today.

The PSI interdiction of the ship, BBC CHINA, en route to Libya with equipment for its nuclear weapons program was an important element in the Libyan decision to dismantle its WMD programs. We continue to work with other nations under PSI to interdict suspect WMD shipments to states of proliferation concern such as Iran.

This Administration is determined to reinvigorate compliance assessments of countries, such as Iran, that seek WMD. For example, successive administrations have stated that Iran was in violation of their obligations under the NPT. But the U.S. was not specific about the manner of violation or the consequences of these violations. After a vigorous analysis, this Administration stated at a Nonproliferation Treaty Review Conference meeting last April that Iran was in violation of Article II of the Treaty because it was seeking or receiving assistance in the manufacture of a nuclear weapon.

In a speech President Bush delivered at the National Defense University on February 11, 2004, President Bush addressed weaknesses in the nuclear nonproliferation regime that allowed Iran and other states with covert nuclear

programs to subvert their NPT obligations. Among other measures designed to prevent the spread of WMD, the President proposed:

- Limiting enrichment and reprocessing plants to those states that already have full-scale functioning plants. Nuclear Suppliers Group guidelines would be strengthened to prevent the transfer of enrichment and reprocessing equipment and technology to other countries.
- Creation of a Special Committee of the IAEA, made up of states in good standing, to “focus intensively on safeguards and ensure that nations comply with their international obligations.” This new committee would help deter, detect and prevent nuclear proliferation.
- Universal adherence to the Additional Protocol, and making the Additional Protocol a condition of nuclear supply.
- Bar countries under IAEA investigation from holding seats on the IAEA Board of Governors or on the new IAEA Special Committee.

The United States received strong support for these proposals at the Sea Island Summit. We also raised them at the Nuclear Suppliers Group meeting last month and the IAEA Board of Governors meeting last week. While we made some headway at the NSG and IAEA, there are still some states we need to convince and we will continue to work with to win the necessary international support for the President's proposals.

## Conclusion

What we ask for is not much -- only what is necessary to protect our security and to prevent Iran from developing nuclear weapons and other WMD. All that Iran must do is to abide by the treaties it has signed banning weapons of mass destruction and stop its program to develop ballistic missiles. We cannot let Iran, a leading sponsor of international terrorism, acquire the most destructive weapons and the means to deliver them to Europe, most of central Asia and the Middle East, or beyond.





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