Communication dated 8 June 2010 received from the Permanent Mission of the Islamic Republic of Iran to the Agency regarding the Issue of Confidentiality

The Secretariat has received a Note Verbale dated 8 June 2010 from the Permanent Mission of the Islamic Republic of Iran transmitting the text of the letter of the Resident Representative of the Islamic Republic of Iran to the Director General regarding the issue of confidentiality.

As requested by the Permanent Mission, the letter and its enclosures are circulated herewith for the information of all Member States.
In the name of God, the most Gracious and the most Merciful

Excellency,

I have the honor to inform the following very unfortunate case:

1- Regrettably confidential information have been leaking from the Agency for quiet a while. In this regard in several occasions (through statements in the Board of Governors, communication with the Agency) concerns and objections regarding the leakage of confidential information have been brought to the attention of the Agency calling upon it to maintain a stringent regime to insure effective protection against disclosure of confidential information.

2- The issue of confidentiality is one of the most important elements in application of Safeguards Agreements between the IAEA and the Member States. The Article 5-a of the Safeguards Agreement between Iran and Agency (INFCIRC/214) stipulates that: "The Agency shall take every precaution to protect commercial and industrial secrets and other confidential information coming to its knowledge in the implementation of this agreement."

3- Article 9-c of the said reference also states: ...“(c) The visits and activities of the Agency inspectors shall be so arranged as: (ii) To ensure protection of industrial secrets or any other confidential information coming to the inspectors' knowledge.”

4- In addition article VII-F of the Agency’s Statute stipulates that: "In the performance of their duties, the Director General and the staff .... shall not disclose any industrial secret or other confidential information coming to their knowledge by reason of their official duties for the Agency. ..."
5- It should be recalled that the concerns were expressed on the protection of confidentiality in the resolution on the strengthening safeguards adopted by the agency’s 53rd General Conference as well as the 2010 NPT Review Conference.

6- In the course of inspection at Jaber-Ibne-Hayan Laboratory (JHL, IRL-) and at Natanz Pilot Fuel Enrichment Plant (PFEP, IRM-), some confidential information coming to the knowledge of the Agency through implementation of the Safeguards Agreement; have regrettably been leaked by the Agency and imparted to the media. Evidences of two very recent instances (AP 30 May 2010 and Reuter 14 May 2010) are herewith enclosed.

7- Unfortunately, the Agency, so far, has not been able to protect the confidential information resulting from the conduction of inspections at the safeguarded facilities in the Islamic Republic of Iran, which occasionally have been leaked by staff members of the Agency and revealed to the media. Such events are profoundly in violation of above mentioned articles and also the IAEA Statute. Continuation of such trend would surely lead to mistrust between the Member States and the Agency and also creates negative atmosphere which causes irreparable damages.

8- Regrettably, this issue became a regular practice and despite of repeated protests by Iran and other Member States, the Agency has not taken concrete action on this sensitive issue to prevent its repetition and thus it has lead to an ongoing trend of violation of the confidentiality of information.

9- The Islamic Republic of Iran expresses its grave concern and protests to the Agency and hereby requests the Your Excellency to conduct serious investigations to identify the agent(s) and/or source(s) of unveiling the aforementioned confidential information, and to prosecute the offender(s) in a manner that would restrain others from doing so. Subsequently, the Agency is expected to inform us the results of the Agency’s investigations.

10- In order to impede repetition of such breaches, the Agency is hereby informed that from the date of this letter, if confidential information that comes to the Agency knowledge through implementing the Safeguards Agreement, leaks, in
any way, and/or conveyed to the media; for the first reaction, the designation of the relevant inspector(s) will be withdrawn.

Please accept, Sir, the assurance of my highest consideration

Ali Asghar Soltanieh
Ambassador & Resident Representative
Iran seen improving higher atom enrichment - diplomats
Fri, May 14 2010

By Sylvia Westall

VIENNA (Reuters) - Iran has been setting up extra equipment which could improve the way it enriches uranium to higher levels, diplomats said, a move which shows Tehran seeking to enhance its atomic work as big powers discuss new sanctions.

Iran first started enriching small amounts of uranium to higher levels in February, saying it wanted to make fuel for a medical research reactor. This raised Western suspicion as Iran is seen to lack the ability to make the fuel assemblies needed.

Western powers, which called the move provocative, fear the Islamic Republic ultimately aims to stockpile potential material for nuclear weapons. Iran says its aims are purely peaceful.

Iran has been using one set or "cascade" of 164 centrifuge machines to refine small amounts of uranium to up to 20 percent purity, according to the International Atomic Energy Agency's last report in February.

But a system using just one cascade is inefficient, analysts said, as it produces a large proportion of leftover low-enriched uranium (LEU) alongside the sought-after highly enriched material.

In recent weeks Iranian officials have been adding a second cascade at the Natanz pilot plant to allow the leftover material to be re-fed into the machines more easily, obtaining its full potential and making the work more efficient, diplomats said.

"The second cascade is aimed at supporting the work of the first," a Western diplomat said. It is not yet operational.

The changes do not appear to be aimed at increasing the amounts produced or to raise the enrichment level further, moves which would ring alarm bells, diplomats said. But they said the second cascade could be reconfigured to do this should Iran decide to.

This is why the IAEA has been trying to boost monitoring at the site. The work also shows Iran seeking to improve its technique should it wish to expand later.

"It contributes to their knowledge of how to do this recycling at higher levels of enrichment," said Mark Fitzpatrick of London's International Institute for Strategic Studies.

"Any acquisition of such tacit knowledge, of knowledge that comes from actually doing the operation, does contribute to any future effort to push for highly enriched uranium."

The IAEA declined to comment.

KEEPING TABS

Western officials fear Iran's decision to enrich to higher levels is ultimately meant to advance its effort to generating arms-grade uranium - refined to 90 percent purity.

Iran denies this and says its operation will only produce 20 percent refined uranium with a capacity of 3 to 5 kg a month, enough to make fuel for the research reactor.

Since the higher enrichment started, the IAEA has sought to improve monitoring and inspections at the site. Talks with Iran have yielded some progress, but IAEA chief Yukiya Amano said earlier this month that arrangements were still not "proper".

The better monitoring is key because inspectors need to ensure the work is not being diverted for military purposes.

Tehran has said it was forced to enrich to higher levels after the breakdown of a deal with Western powers and IAEA, under which it would have sent 1,200 kg of its low-enriched uranium abroad in return for fuel rods for the medical reactor.

"Iran's moves make it clear that it is not serious about the fuel proposal," another Western diplomat said.

The Islamic Republic has voiced optimism about Turkish and Brazilian mediation efforts to revive the fuel offer. Western officials have dismissed the moves as stalling tactics.

(Editing by Philippa Fletcher)
APNewsBreak: Diplomats say Iran removed equipment

By GEORGE JAHN (AP) - 5 days ago

VIENNA — U.N. nuclear inspectors revisiting an Iranian laboratory to follow up on activities that could be linked to a secret nuclear weapons program recently discovered that some equipment believed used in the experiments has disappeared, diplomats said Friday.

One of the diplomats told The Associated Press that senior officials within the International Atomic Energy Agency — the U.N. nuclear watchdog — were concerned that the removal was an attempted cover-up.

Two others confirmed that some apparatus had gone missing. One said it was too early to draw conclusions, suggesting it could have been taken to another site for nothing more than maintenance. The three spoke on condition of anonymity because information surrounding the Iran nuclear probe is confidential.

A key issue is pyroprocessing, a procedure that can be used to purify uranium metal used in nuclear warheads.

Iran in January confirmed to the agency that it had carried out pyroprocessing experiments, prompting a request from the nuclear agency for more information — but then backtracked in March in comments at a closed meeting of the IAEA's governing board.

"In fact there is no pyroprocessing R&D activity and the question raised has been a misinterpretation by the Agency inspectors," said an excerpt of the Iranian statement made available this week to the AP.

The experiments prompted IAEA experts to revisit the site — the Jabir Ibn Hayyan Multipurpose Research Laboratory in Tehran — where they found some of the equipment removed to an undisclosed site, said the diplomats. One of the techniques used was separating out impurities from uranium metal among the apparatus that had been removed. Another said chemical apparatus used in the process were now missing.

IAEA officials said the agency would have no comment. Attempts to get Iranian comment were not immediately successful, with Vienna-based Iranian officials not answering their cell phones.

Any Iranian pyroprocessing work, even on an experimental basis, would add to suspicions that Tehran is interested in developing nuclear weapons — even though it insists it is solely interested in the atom as an energy source.

The U.N. Security Council is currently considering a fourth set of sanctions in response to the Islamic Republic's refusal to halt uranium enrichment — which can create both nuclear fuel and the fissile core of warheads. It is also concerned about Tehran's belated revelation earlier this year of a new enrichment site under construction and its refusal to answer IAEA questions based on foreign intelligence and linked to suspicions of hidden nuclear weapons work.

South Korea and the United States are currently experimenting with another nuclear use for pyroprocessing, which reprocesses spent nuclear fuel for a new breed of reactors. But this procedure is highly technical and does not match the nuclear profile of Iran, which does not have any used fuel to reprocess.

One of the diplomats said the issue of missing equipment might figure in the next IAEA report of IAEA chief Yukiya Amano, due later this week or early next week for review by the IAEA board starting June 7.

Other than that, the report is unlikely to break new ground, noting that Iran's low-enrichment program is stagnating, and that Iran continues a pilot program of enriching to higher levels, near 20 percent, he said.

Iran originally justified its decision to start enriching to higher levels by saying it needed the material to fuel its research reactor after a deal to secure such fuel from abroad fell apart.

Earlier this week, it submitted a new plan to the IAEA that foresees Tehran swapping some of its low-enriched uranium for reactor fuel — terms similar to an earlier plan drawn up in October.

On its face, the latest plan seems a significant concession, with Iran agreeing to ship 1,200 kilograms (2,640 pounds) of low-enriched uranium from France and Russia. However, Iran is believed to have much more nuclear material stockpiled now.

In October, such a swap would have left Iran with much less than the 1,000 kilograms (2,200 pounds) of material needed to produce enough weapons-grade uranium for a bomb. Since then, Iran has continued to churn out low-enriched material, along with starting to enrich to near 20 percent.

In March, the IAEA said Iran's stockpile stood at around 2,100 kilograms (4,600 pounds). It has likely grown to an estimated 2,300 kilograms — about 5,000 pounds, or more than twice the amount needed to produce enough material for a bomb, according to David Albright of the Washington-based Institute for Science and International Security, which has tracked Iran for signs of covert proliferation.

From the West's point of view, that destroys much of the incentive for an agreement. And Iran's decision to continue its program to enrich to near 20 percent — whether or not it gets fuel from
abroad — poses an even greater hurdle because it brings Tehran closer to weapons capability.

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