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E.O. 11652: GDS

TAGS: TECH, IR

SUBJECT: IRANIAN NUCLEAR POWER AGREEMENT

(Text)

PLS PASS TO AMBASSADOR.

1. BEGIN SUMMARY: EMBASSY IS REQUESTED TO PROVIDE DR. ETEMAD WITH THE FOLLOWING TEXTS OF THE DRAFT NUCLEAR POWER AGREEMENT AND PROPOSED ACCOMPANYING NOTE WHICH WOULD REPRESENT AN INTEGRAL PART OF THE AGREEMENT. ETEMAD SHOULD BE ADVISED THAT WE WOULD BE FORWARDING PROMPTLY IN SEPTEL AN EXPLANATORY NOTE THAT WILL RELATE THESE DRAFTS TO OUR RECENT WASHINGTON DISCUSSIONS AND THAT WILL HIGHLIGHT ANY PERFECTING CHANGES THAT WE HAVE INTRODUCED IN THE INTERIM. OUR OBJECTIVE, OF COURSE, HAS BEEN TO ADHERE CLOSELY TO THE INFORMAL PAPERS WE PASSED ON TO HIM DURING THE VISIT ALTHOUGH SOME CHANGES NECESSARILY HAVE BEEN IDENTIFIED AS WE HAVE ENDEAVORED TO CONVERT OUR FORMULATIONS INTO FINAL, POLISHED LANGUAGE. AS ALREADY NOTED, U.S. IS PREPARED TO SEND TEAM TO TEHRAN TO RESUME THE DETAILED NEGOTIATIONS AFTER GOI HAS HAD THE OPPORTUNITY TO REVIEW THE MATERIAL. END SUMMARY.

2. BEGIN TEXT: AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN CONCERNING CIVIL USES OF ATOMIC ENERGY.

STATE DEPT. DECLASSIFICATION REVIEW
 Remain Classified Change to
 Declassify in part and excise as shown
EO 12958, 25X() ()
 Declassify After
 With concurrence
IPS by BA/G/... Date 6/25/08
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WHEREAS THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN DESIRE TO PURSUE A RESEARCH AND DEVELOPMENT PROGRAM LOOKING TOWARD THE REALIZATION OF PEACEFUL USES OF ATOMIC ENERGY, INCLUDING THE DESIGN, CONSTRUCTION, AND OPERATION OF POWER-PRODUCING REACTORS AND RESEARCH REACTORS, AND THE EXCHANGE OF INFORMATION RELATING TO THE DEVELOPMENT OF OTHER PEACEFUL USES OF ATOMIC ENERGY;

WHEREAS THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN ARE DESIROUS OF ENTERING INTO THIS AGREEMENT TO COOPERATE WITH EACH OTHER TO ATTAIN THE ABOVE OBJECTIVES; AND

WHEREAS THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN DESIRE THIS AGREEMENT TO SUPERSEDE THE "AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF IRAN GOVERNING CIVIL USES OF ATOMIC ENERGY" SIGNED ON MARCH 5, 1957, AS AMENDED BY THE AGREEMENTS SIGNED ON JUNE 8, 1964, AND MARCH 18, 1969;

THE PARTIES AGREE AS FOLLOWS:
ARTICLE I.
FOR THE PURPOSES OF THIS AGREEMENT:

(1) "PARTIES" MEANS THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN, INCLUDING THE ADMINISTRATION ON BEHALF OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE ORGANIZATION ON BEHALF OF THE IMPERIAL GOVERNMENT OF IRAN. "PARTY" MEANS ONE OF THE ABOVE PARTIES.

(2) "ADMINISTRATION" MEANS THE UNITED STATES ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION.

(3) "ORGANIZATION" MEANS THE ATOMIC ENERGY ORGANIZATION OF IRAN.

(4) "ATOMIC WEAPON" MEANS ANY DEVICE UTILIZING ATOMIC ENERGY, EXCLUSIVE OF THE MEANS OF TRANSPORTING OR PROPELLING THE DEVICE (WHERE SUCH MEANS IS A SEPARABLE AND DIVISIBLE PART OF THE DEVICE), THE PRINCIPAL PURPOSE OF

WHICH IS FOR USE AS, OR FOR DEVELOPMENT OF, A WEAPON, WEAPON PROTOTYPE, OR A WEAPON TEST DEVICE.

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(5) "BYPRODUCT MATERIAL" MEANS ANY RADIOACTIVE MATERIAL (EXCEPT SPECIAL NUCLEAR MATERIAL) YIELDED IN OR MADE RADIOACTIVE BY EXPOSURE TO THE RADIATION INCIDENT TO THE PROCESS OF PRODUCING OR UTILIZING SPECIAL NUCLEAR MATERIAL.

(6) "EQUIPMENT AND DEVICES" AND "EQUIPMENT OR DEVICES" MEAN ANY INSTRUMENT, APPARATUS, OR FACILITY, AND INCLUDE

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ANY FACILITY, EXCEPT AN ATOMIC WEAPON, CAPABLE OF MAKING USE OF OR PRODUCING SPECIAL NUCLEAR MATERIAL, AND COMPONENT PARTS THEREOF.

(7) "PERSON" MEANS ANY INDIVIDUAL, CORPORATION, PARTNERSHIP, FIRM, ASSOCIATION, TRUST, ESTATE, PUBLIC OR PRIVATE INSTITUTION, GROUP, GOVERNMENT AGENCY, OR GOVERNMENT CORPORATION BUT DOES NOT INCLUDE THE PARTIES TO THIS AGREEMENT.

(8) "PEACEFUL PURPOSES" AND "PEACEFUL USES" INCLUDE APPLICATIONS OF MATERIALS, EQUIPMENT AND DEVICES IN ACTIVITIES IN SUCH FIELDS AS RESEARCH, POWER GENERATION, MEDICINE, AGRICULTURE AND INDUSTRY BUT DO NOT INCLUDE RESEARCH ON OR DEVELOPMENT OF ANY ATOMIC WEAPON OR ANY NUCLEAR EXPLOSIVE DEVICE, OR ANY OTHER MILITARY PURPOSE.

(9) "REACTOR" MEANS AN APPARATUS, OTHER THAN AN ATOMIC WEAPON, IN WHICH A SELF-SUPPORTING FISSION CHAIN REACTION IS MAINTAINED BY UTILIZING URANIUM, PLUTONIUM OR THORIUM, OR ANY COMBINATION OF URANIUM, PLUTONIUM OR THORIUM.

(10) "RESTRICTED DATA" MEANS ALL DATA CONCERNING (A) DESIGN, MANUFACTURE, OR UTILIZATION OF ATOMIC WEAPONS, (B) THE PRODUCTION OF SPECIAL NUCLEAR MATERIAL, OR (C) THE USE OF SPECIAL NUCLEAR MATERIAL IN THE PRODUCTION OF ENERGY, BUT SHALL NOT INCLUDE DATA DECLASSIFIED OR REMOVED FROM THE CATEGORY OF RESTRICTED DATA BY THE APPROPRIATE AUTHORITY.

(11) "SAFEGUARDS" MEANS A SYSTEM OF CONTROLS DESIGNED TO ASSURE THAT ANY MATERIALS, EQUIPMENT AND DEVICES COMMITTED TO THE PEACEFUL USES OF ATOMIC ENERGY ARE NOT USED TO FURTHER ANY MILITARY PURPOSE.

(12) "SOURCE MATERIAL" MEANS (A) URANIUM, THORIUM OR ANY OTHER MATERIAL WHICH IS DETERMINED BY EITHER PARTY TO BE SOURCE MATERIAL, OR (B) ORES CONTAINING ONE OR MORE OF THE FOREGOING MATERIALS, IN SUCH CONCENTRATION AS EITHER

PARTY MAY DETERMINE FROM TIME TO TIME.

(13) "SPECIAL NUCLEAR MATERIAL" MEANS (A) PLUTONIUM, URANIUM ENRICHED IN THE ISOTOPE 233 OR IN THE ISOTOPE 235, AND ANY OTHER MATERIAL WHICH EITHER PARTY DETERMINES TO BE SPECIAL NUCLEAR MATERIAL, OR (B) ANY MATERIAL ARTIFICIALLY ENRICHED BY ANY OF THE FOREGOING.

(14) "SUPERSEDED AGREEMENT" MEANS THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF IRAN SIGNED BY THE PARTIES ON MARCH 5, 1957, AS AMENDED BY THE AGREEMENTS SIGNED ON JUNE 8, 1964, AND MARCH 18, 1969.

(15) "TRANSFER" OF SPECIAL NUCLEAR MATERIAL, WHEN USED.

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IN THE CONTEXT OF TRANSFERS OF SUCH MATERIAL BETWEEN THE PARTIES OR AUTHORIZED PERSONS UNDER THEIR JURISDICTIONS, MEANS DELIVERY OF POSSESSION OF SUCH MATERIAL TO A PARTY OR AUTHORIZED PERSONS UNDER ITS JURISDICTION, OR THEIR AGENTS, REGARDLESS OF THE LEGAL CHARACTER OF THE TRANSACTION. SUCH TRANSFERS FROM THE UNITED STATES OF AMERICA ARE CONTEMPLATED TO INCLUDE, INTER ALIA, TRANSFERS UNDER SALE, OR URANIUM ENRICHMENT SERVICES CONTRACTS, OR UNDER AN AGREEMENT OR AGREEMENTS ENTITLING THE IMPERIAL GOVERNMENT OF IRAN TO A PORTION OF THE SEPARATIVE WORK OUTPUT OF URANIUM ENRICHMENT FACILITIES IN THE UNITED STATES OF AMERICA IN WHICH THE IMPERIAL GOVERNMENT OF IRAN HAS INVESTED.

ARTICLE II.

A. SUBJECT TO THE PROVISIONS OF THIS AGREEMENT, THE AVAILABILITY OF PERSONNEL AND MATERIAL, AND THE APPLICABLE LAWS, TREATIES, REGULATIONS, AND LICENSE REQUIREMENTS IN FORCE IN THEIR RESPECTIVE COUNTRIES, THE PARTIES SHALL COOPERATE WITH EACH OTHER IN THE ACHIEVEMENT OF THE USES OF ATOMIC ENERGY FOR PEACEFUL PURPOSES.

B. RESTRICTED DATA SHALL NOT BE COMMUNICATED UNDER THIS AGREEMENT, AND NO MATERIALS OR EQUIPMENT AND DEVICES SHALL BE TRANSFERRED, AND NO SERVICES SHALL BE FURNISHED, UNDER THIS AGREEMENT, IF THE TRANSFER OF ANY SUCH MATERIALS OR EQUIPMENT AND DEVICES OR THE FURNISHING OF ANY SUCH SERVICES INVOLVES THE COMMUNICATION OF RESTRICTED DATA.

ARTICLE III.

SUBJECT TO THE PROVISIONS OF ARTICLE II, THE PARTIES SHALL EXCHANGE UNCLASSIFIED INFORMATION WITH RESPECT TO THE APPLICATION OF ATOMIC ENERGY TO PEACEFUL PURPOSES AND THE CONSIDERATIONS OF HEALTH AND SAFETY CONNECTED THEREWITH. THE EXCHANGE OF INFORMATION PROVIDED FOR IN THIS ARTICLE WILL BE ACCOMPLISHED THROUGH VARIOUS MEANS, INCLUDING REPORTS, CONFERENCES AND VISITS TO FACILITIES.

ARTICLE IV.

A. MATERIALS OF INTEREST IN CONNECTION WITH THE APPLICATION OF ATOMIC ENERGY TO PEACEFUL PURPOSES, INCLUDING SOURCE MATERIAL, HEAVY WATER, BY-PRODUCT MATERIAL, OTHER RADIOISOTOPE, STABLE ISOTOPES, AND SPECIAL NUCLEAR MATERIAL FOR PURPOSES OTHER THAN FUELING REACTORS AND REACTOR EXPERIMENTS, MAY BE TRANSFERRED BETWEEN THE PARTIES FOR DEFONED APPLICATIONS IN SUCH QUANTITIES AND UNDER SUCH TERMS AND CONDITIONS AS MAY BE AGREED SUBJECT TO THE PROVISIONS OF ARTICLE II.

B. WITH RESPECT TO THE APPLICATIONS OF ATOMIC ENERGY TO PEACEFUL PURPOSES, EQUIPMENT AND DEVICES MAY BE TRANSFERRED

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REFERRED BETWEEN THE PARTIES UNDER SUCH TERMS AND CONDITIONS AS MAY BE AGREED SUBJECT TO THE PROVISIONS OF ARTICLE II.

ARTICLE V.

THE APPLICATION OR USE OF ANY INFORMATION (INCLUDING DESIGN DRAWINGS AND SPECIFICATIONS), AND ANY MATERIAL, EQUIPMENT AND DEVICES, EXCHANGED OR TRANSFERRED BETWEEN THE PARTIES UNDER THIS AGREEMENT OR THE SUPERSEDED AGREEMENT SHALL BE THE RESPONSIBILITY OF THE RECEIVING PARTY, AND THE OTHER PARTY DOES NOT WARRANT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND DOES NOT WARRANT THE SUITABILITY OF SUCH INFORMATION, MATERIAL, EQUIPMENT AND DEVICES FOR ANY PARTICULAR USE OR APPLICATION.

ARTICLE VI.

A. WITH RESPECT TO THE APPLICATION OF ATOMIC ENERGY TO PEACEFUL PURPOSES, IT IS UNDERSTOOD THAT ARRANGEMENTS MAY BE MADE BETWEEN EITHER PARTY OR AUTHORIZED PERSONS UNDER ITS JURISDICTION AND AUTHORIZED PERSONS

UNDER THE JURISDICTION OF THE OTHER PARTY FOR THE TRANSFER OF EQUIPMENT AND DEVICES AND MATERIALS OTHER THAN SPECIAL NUCLEAR MATERIAL AND FOR THE PERFORMANCE OF SERVICES WITH RESPECT THERETO.

B. WITH RESPECT TO THE APPLICATION OF ATOMIC ENERGY TO PEACEFUL PURPOSES, IT IS UNDERSTOOD THAT ARRANGEMENTS MAY BE MADE BETWEEN EITHER PARTY OR AUTHORIZED PERSONS UNDER ITS JURISDICTION AND AUTHORIZED PERSONS UNDER THE JURISDICTION OF THE OTHER PARTY FOR THE TRANSFER OF SPECIAL NUCLEAR MATERIAL AND FOR THE PERFORMANCE OF SERVICES WITH RESPECT THERETO FOR THE USES SPECIFIED IN, AND PURSUANT TO THE PROVISIONS OF, ARTICLES IV, VII, VIII, AND IX.

C. THE PARTIES AGREE THAT THE ACTIVITIES REFERRED TO IN PARAGRAPHS A AND B OF THIS ARTICLE SHALL BE SUBJECT TO ARTICLE II AND TO THE OTHER APPLICABLE CONDITIONS SET FORTH IN THIS AGREEMENT AND TO THE POLICIES OF THE PARTIES WITH REGARD TO TRANS. ACTIONS INVOLVING THE AUTHORIZED PERSONS REFERRED TO IN PARAGRAPHS A AND B OF THIS ARTICLE.

ARTICLE VII.

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A. UNDER TERMS AND CONDITIONS AS MAY BE AGREED, URANIUM ENRICHED IN THE ISOTOPE U-235 MAY BE TRANSFERRED BY THE ADMINISTRATION TO THE IMPERIAL GOVERNMENT OF IRAN OR AUTHORIZED PERSONS UNDER ITS JURISDICTION FOR USE AS FUEL WITHIN IRAN IN REACTORS FOR POWER APPLICATIONS; IN REACTORS FOR APPLICATIONS OTHER

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THAN POWER, INCLUDING REACTORS FOR RESEARCH, MATERIALS TESTING, EXPERIMENTAL, SCIENTIFIC AND INDUSTRIAL USES; AND IN REACTOR EXPERIMENTS, SUCH TRANSFERS OF URANIUM ENRICHED IN THE ISOTOPE U-235 FOR USE AS FUEL IN REACTORS FOR POWER APPLICATIONS SHALL BE SUBJECT TO ARTICLE IX. URANIUM ENRICHED TO LESS THAN TWENTY PERCENT (20%) IN THE ISOTOPE U-235 WHICH IS TRANSFERRED PURSUANT TO THIS PARAGRAPH MAY BE CONVERTED OR FABRICATED OR STORED WITHIN IRAN.

B. SPECIAL NUCLEAR MATERIAL OTHER THAN URANIUM ENRICHED IN THE ISOTOPE U-235 MAY, SUBJECT TO MUTUAL AGREEMENT BETWEEN THE PARTIES, BE TRANSFERRED BY PERSONS UNDER THE JURISDICTION OF THE UNITED STATES OF AMERICA TO THE IMPERIAL GOVERNMENT OF IRAN, OR TO AUTHORIZED PERSONS UNDER ITS JURISDICTION, FOR USE WITHIN IRAN AS FUEL IN REACTORS AND REACTOR EXPERIMENTS.

C. URANIUM ENRICHED TO LESS THAN TWENTY PERCENT (20%) IN THE ISOTOPE U-235 MAY ALSO BE TRANSFERRED TO THE IMPERIAL GOVERNMENT OF IRAN OR TO AUTHORIZED PERSONS UNDER ITS JURISDICTION, UNDER TERMS AND CONDITIONS AS MAY BE AGREED BY THE PARTIES, FOR THE PERFORMANCE IN IRAN OF CONVERSION OR FABRICATION SERVICES, OR BOTH, AND FOR SUBSEQUENT TRANSFER TO ANOTHER NATION OR GROUP OF NATIONS IN ACCORDANCE WITH THIS AGREEMENT.

ARTICLE VIII,

A. THE ENRICHED URANIUM SUPPLIED UNDER THIS AGREEMENT MAY CONTAIN UP TO TWENTY PERCENT (20%) IN THE ISOTOPE U-235. UPON MUTUAL AGREEMENT OF THE PARTIES, A PORTION OF THE URANIUM ENRICHED IN THE ISOTOPE U-235 SO SUPPLIED MAY BE MADE AVAILABLE AS MATERIAL CONTAINING MORE THAN TWENTY PERCENT (20%) IN THE ISOTOPE U-235 WHEN THERE IS A TECHNICAL OR ECONOMIC JUSTIFICATION FOR SUCH A TRANSFER.

B. (1) SUBJECT TO THE RELEVANT RESTRICTIONS OF ARTICLE IX AND TO THE PROVISIONS OF SUBPARAGRAPH B(2) OF THIS ARTICLE, THE QUANTITY OF SPECIAL NUCLEAR MATERIAL TRANSFERRED UNDER ARTICLE VI AND ARTICLE VII TO THE JURISDICTION OF THE IMPERIAL GOVERNMENT OF IRAN FOR THE FUELING OF REACTORS AND REACTOR EXPERIMENTS, INCLUDING THE PURPOSES PROVIDED FOR IN PARAGRAPH C OF ARTICLE VII, SHALL NOT AT ANY TIME BE IN EXCESS OF THE QUANTITY AS THE PARTIES AGREE IS NECESSARY FOR THE ACCOMPLISHMENT OF SUCH PURPOSES, INCLUDING THE EFFICIENT AND CONTINUOUS OPERATION OF SUCH REACTORS OR REACTOR EXPERIMENTS.

(2) SUBJECT TO THE FINAL PROVISION OF ARTICLE IX, ANY URANIUM ENRICHED IN THE ISOTOPE U-235 CORRESPONDING TO THE SEPARATIVE WORK OUTPUT TO WHICH THE IMPERIAL GOVERNMENT OF IRAN IS ENTITLED BY REASON OF AN AGREEMENT OR AGREEMENTS UNDER WHICH IT INVESTS IN URANIUM ENRICHMENT FACILITY OR

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FACILITIES IN THE UNITED STATES OF AMERICA MAY BE TRANSFERRED TO IRAN FOR STORAGE OR USE AS FUEL IN POWER REACTORS OR BOTH, WITHIN IRAN.

C. (1) WHENEVER ANY SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THIS AGREEMENT REQUIRES REPROCESSING, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA DOES NOT EXERCISE THE RIGHT GRANTED IN SUBPARAGRAPH (2) OF THIS PARAGRAPH; AND WHENEVER ANY SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THIS AGREEMENT:

(A) DOES NOT CONSIST EXCLUSIVELY OF URANIUM ENRICHED TO LESS THAN TWENTY PERCENT (20 %) IN THE ISOTOPE U-235 AND REQUIRES CONVERSION, FABRICATION OR STORAGE; OR

(B) IS CONTAINED IN IRRADIATED FUEL ELEMENTS WHICH ARE TO BE REMOVED FROM A REACTOR AND ALTERED IN FORMS OR CONTENT; SUCH REPROCESSING, CONVERSION, FABRICATION, STORAGE OR ALTERATION SHALL BE PERFORMED IN FACILITIES ACCEPTABLE TO THE PARTIES.

(2) WHENEVER ANY SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THIS AGREEMENT REQUIRES REPROCESSING, AND IN THE EVENT THAT SUCH REPROCESSING IS NOT TO BE PERFORMED IN A FACILITY WHICH THE PARTIES HAVE FOUND TO BE ACCEPTABLE BY REASON OF ITS MEETING THE FOUR CRITERIA SET FORTH IN THE FIFTH PARAGRAPH OF THE DIPLOMATIC NOTE WHICH IS AN INTEGRAL PART OF THIS AGREEMENT, THE FOLLOWING PROVISIONS SHALL APPLY:

(A) THE IMPERIAL GOVERNMENT OF IRAN OR AUTHORIZED PERSONS UNDER ITS JURISDICTION SHALL, IF SO REQUESTED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA, TRANSFER TITLE TO IRRADIATED SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THIS AGREEMENT TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA OR AUTHORIZED PERSONS UNDER ITS JURISDICTION; AND SHALL TRANSFER SUCH IRRADIATED MATERIAL TO THE UNITED STATES OF AMERICA OR TO ANOTHER DESTINATION(S) OUTSIDE OF IRAN ACCEPTABLE TO BOTH PARTIES.

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(B) IF IRRADIATED SPECIAL NUCLEAR MATERIAL IS TRANSFERRED FROM IRAN PURSUANT TO SUBPARAGRAPH (A) HEREOF, A

QUANTITY OF URANIUM ENRICHED IN ISOTOPE U-235 EQUIVALENT IN ENERGY VALUE TO THE RECOVERABLE SPECIAL NUCLEAR MATERIAL CONTAINED IN THE IRRADIATED FUEL SO TRANSFERRED SHALL BE TRANSFERRED TO THE IMPERIAL GOVERNMENT OF IRAN OR AUTHORIZED PERSONS UNDER ITS JURISDICTION. ALTERNATIVELY, THE PARTIES MAY AGREE THAT THE COMPENSATION FOR IRRADIATED SPECIAL NUCLEAR MATERIAL TRANSFERRED PURSUANT TO SUBPARAGRAPH (A) HEREOF MAY CONSIST OF FINANCIAL COMPENSATION FOR THE VALUE OF THE RECOVERABLE SPECIAL

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NUCLEAR MATERIAL CONTAINED IN THE IRRADIATED MATERIAL SO TRANSFERRED, OR OF FABRICATED FUEL FOR USE IN ONE OR MORE COMBUSTION FAST BREEDER REACTORS CONSTRUCTED IN IRAN.

C. TRANSFERS OF MATERIAL PURSUANT TO THIS SUBPARAGRAPH SHALL TAKE PLACE IN ACCORDANCE WITH AN AGREEMENT OR AGREEMENTS BETWEEN THE PARTIES SPECIFYING THE TERMS UNDER WHICH TRANSFERS OF TITLE AND MATERIALS SHALL OCCUR. SUCH AGREEMENT OR AGREEMENTS SHALL PROVIDE, INTER ALIA, FOR DETERMINING THE EQUIVALENT ENERGY VALUE OF SPECIAL NUCLEAR MATERIAL TRANSFERRED FROM OR TO IRAN, OR WHICH IS OTHERWISE AVAILABLE TO THE IMPERIAL GOVERNMENT OF IRAN OR

AUTHORIZED PERSONS UNDER ITS JURISDICTION; AND FOR DETERMINING THE FINANCIAL COMPENSATION TO BE MADE BY THE IMPERIAL GOVERNMENT OF IRAN OR PERSONS UNDER ITS JURISDICTION FOR THE COST OF THE REPROCESSING AND RELATED SERVICES REQUIRED FOR THE RECOVERY OF IRRADIATED SPECIAL NUCLEAR MATERIAL TRANSFERRED FROM IRAN.

D. SPECIAL NUCLEAR MATERIAL PRODUCED THROUGH THE USE OF MATERIAL, INCLUDING EQUIPMENT AND DEVICES, SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THIS AGREEMENT MAY BE TRANSFERRED TO ANOTHER NATION OR GROUP OF NATIONS, PROVIDED THAT THE ADMINISTRATION AGREES THAT SUCH NATION OR GROUP OF NATIONS HAS AN APPROPRIATE AGREEMENT FOR COOPERATION WITH THE GOVERNMENT OF THE UNITED STATES OF AMERICA OR SUCH NATION OR GROUP OF NATIONS GUARANTEES TO THE PARTIES THE USE OF SUCH SPECIAL NUCLEAR MATERIAL FOR PEACEFUL PURPOSES UNDER SAFEGUARDS AND OTHER ARRANGEMENTS ACCEPTABLE TO THE PARTIES.

E. THE PARTIES SHALL CONSULT ON PHYSICAL SECURITY MEASURES TO ENSURE THAT MATERIALS, EQUIPMENT AND DEVICES SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THIS AGREEMENT WILL BE PROTECTED FROM THEFT, SABOTAGE AND

ANY USES NOT AUTHORIZED UNDER THIS AGREEMENT. THE PARTIES SHALL AGREE AS TO WHETHER THE APPLICATION OF SUCH MEASURES ADOPTED BY THE IMPERIAL GOVERNMENT OF IRAN PROVIDE ADEQUATE PROTECTION AGAINST SUCH UNAUTHORIZED USES, THEFT OR SABOTAGE. THE IMPERIAL GOVERNMENT OF IRAN GUARANTEES THAT PHYSICAL SECURITY MEASURES SHALL BE MAINTAINED WITH RESPECT TO MATERIALS, EQUIPMENT AND DEVICES SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THIS AGREEMENT. THE EFFECTIVENESS OF THESE MEASURES SHALL BE REVIEWED BY THE PARTIES FROM TIME TO TIME OR WHENEVER EITHER PARTY IS OF THE OPINION THAT A REVISION IS REQUIRED TO MAINTAIN SUCH ADEQUATE PROTECTION. THE PARTIES SHALL THEN SUBSEQUENTLY AGREE AS TO WHETHER REVISED PHYSICAL SECURITY MEASURES ARE NECESSARY TO PROVIDE SUCH ADEQUATE PROTECTION. IT IS UNDERSTOOD BY THE PARTIES THAT CONTINUED COOPERATION UNDER THIS AGREEMENT IS DEPENDENT UPON THE MAINTENANCE BY THE IMPERIAL GOVERNMENT OF IRAN OF PHYSICAL SECURITY MEASURES.

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WHICH, IN THE OPINION OF THE PARTIES, PROVIDE SUCH ADEQUATE PROTECTION.

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F. SOME ATOMIC ENERGY MATERIALS WHICH MAY BE PROVIDED IN ACCORDANCE WITH THIS AGREEMENT, OR MAY HAVE BEEN PROVIDED UNDER THE SUPERSEDED AGREEMENT, ARE HARMFUL TO PERSONS AND PROPERTY UNLESS HANDLED AND USED CAREFULLY. AFTER DELIVERY OF SUCH MATERIALS, THE IMPERIAL GOVERNMENT OF IRAN SHALL BEAR ALL RESPONSIBILITY, INsofar AS THE GOVERNMENT OF THE UNITED STATES OF AMERICA IS CONCERNED, FOR THE SAFE HANDLING AND USE OF SUCH MATERIALS.

==ARTICLE IX==

A. SUBJECT TO THE PROVISIONS OF PARAGRAPH B OF THIS ARTICLE, THE SEPARATIVE WORK REQUIRED TO PRODUCE THE URANIUM ENRICHED IN THE ISOTOPE U-235 TRANSFERRED UNDER THIS AGREEMENT TO IRAN FOR USE AS FUEL IN REACTORS IN IRAN FOR POWER APPLICATIONS SHALL NOT EXCEED THAT NECESSARY TO SUPPORT THE FUEL CYCLES OF REACTORS HAVING A TOTAL INSTALLED CAPACITY OF EIGHT THOUSAND (8,000) MEGAWATTS ELECTRIC.

B. IN THE EVENT THAT THE IMPERIAL GOVERNMENT OF IRAN ENTERS INTO AN AGREEMENT OR AGREEMENTS ENTITLING IT TO A PORTION OF THE SEPARATIVE WORK OUTPUT OF A URANIUM ENRICHMENT FACILITY OR FACILITIES IN THE UNITED STATES OF AMERICA IN WHICH IT HAS INVESTED, THE QUANTITY OF SEPARATIVE WORK REQUIRED TO PRODUCE THE URANIUM ENRICHED IN THE ISOTOPE U-235 WHICH MAY BE TRANSFERRED UNDER THIS AGREEMENT FOR STORAGE WITHIN IRAN OR USE AS FUEL IN REACTORS IN IRAN FOR POWER APPLICATIONS, OR BOTH, MAY ALSO INCLUDE THAT AMOUNT

OF SEPARATIVE WORK TO WHICH THE IMPERIAL GOVERNMENT OF IRAN IS ENTITLED PURSUANT TO SUCH AGREEMENT OR AGREEMENTS; PROVIDED, HOWEVER, THAT THE TOTAL AMOUNT OF SEPARATIVE WORK REQUIRED TO PRODUCE THE URANIUM ENRICHED IN THE ISOTOPE U-235 TRANSFERRED UNDER THIS AGREEMENT FOR STORAGE WITHIN IRAN OR USE AS FUEL IN REACTORS IN IRAN FOR POWER APPLICATIONS, OR BOTH, SHALL NOT EXCEED THAT NECESSARY TO SUPPORT THE FUEL CYCLES OF REACTORS HAVING A TOTAL INSTALLED CAPACITY OF TWENTY-THREE THOUSAND (23,000) MEGAWATTS ELECTRIC.

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==ARTICLE X==

THE IMPERIAL GOVERNMENT OF IRAN GUARANTEES THAT:

(1) SAFEGUARDS PROVIDED IN ARTICLE XI SHALL BE MAINTAINED

(2) NO MATERIAL, INCLUDING EQUIPMENT AND DEVICES, TRANSFERRED TO THE IMPERIAL GOVERNMENT OF IRAN OR AUTHORIZED PERSONS UNDER ITS JURISDICTION BY PURCHASE OR OTHERWISE PURSUANT TO THIS AGREEMENT OR THE SUPERSEDED AGREEMENT AND NO SPECIAL NUCLEAR MATERIAL PRODUCED THROUGH THE USE OF

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SUCH MATERIAL, EQUIPMENT OR DEVICES, WILL BE USED FOR ATOMIC WEAPONS OR OTHER NUCLEAR EXPLOSIVE DEVICES, FOR RESEARCH ON OR DEVELOPMENT OF ATOMIC WEAPONS OR OTHER NUCLEAR EXPLOSIVE DEVICES, OR FOR ANY OTHER MILITARY PURPOSE.

(3) NO MATERIAL, INCLUDING EQUIPMENT AND DEVICES, TRANSFERRED TO THE IMPERIAL GOVERNMENT OF IRAN OR TO AUTHORIZED PERSONS UNDER ITS JURISDICTION PURSUANT TO THIS AGREEMENT OR THE SUPERSEDED AGREEMENT WILL BE TRANSFERRED TO UNAUTHORIZED PERSONS OR BEYOND THE JURISDICTION OF THE IMPERIAL GOVERNMENT OF IRAN EXCEPT AS THE ADMINISTRATION MAY AGREE TO SUCH A TRANSFER TO THE JURISDICTION OF ANOTHER NATION OR GROUP OF NATIONS AND THEN ONLY IF, IN THE OPINION OF THE ADMINISTRATION, THE TRANSFER IS WITHIN THE SCOPE OF AN AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE OTHER NATION OR GROUP OF NATIONS.

==ARTICLE XI==

A. THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN EMPHASIZE THEIR COMMON INTEREST IN ASSURING THAT ANY MATERIAL, EQUIPMENT OR DEVICES MADE AVAILABLE TO THE IMPERIAL GOVERNMENT OF IRAN OR ANY PERSON UNDER ITS JURISDICTION PURSUANT TO THIS AGREEMENT OR THE SUPERSEDED AGREEMENT SHALL BE USED SOLELY FOR PEACEFUL PURPOSES AND APPROPRIATELY PROTECTED.

B. EXCEPT TO THE EXTENT THAT THE SAFEGUARDS RIGHTS PROVIDED FOR IN THIS AGREEMENT ARE SUSPENDED BY VIRTUE OF THE APPLICATION OF SAFEGUARDS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY, AS PROVIDED IN ARTICLE XII, THE GOVERNMENT OF THE UNITED STATES OF AMERICA, NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, SHALL HAVE THE FOLLOWING RIGHTS:

(1) WITH THE OBJECTIVE OF ASSURING DESIGN AND OPERATION FOR CIVIL PURPOSES AND PERMITTING EFFECTIVE APPLICATION OF SAFEGUARDS, TO REVIEW THE DESIGN OF ANY

(A) REACTOR, AND

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(B) OTHER EQUIPMENT AND DEVICES THE DESIGN OF WHICH THE ADMINISTRATION DETERMINES TO BE RELEVANT TO THE EFFECTIVE APPLICATION OF SAFEGUARDS,

WHICH ARE TO BE MADE AVAILABLE UNDER THIS AGREEMENT, OR HAVE BEEN MADE AVAILABLE UNDER THE SUPERSEDED AGREEMENT, TO THE IMPERIAL GOVERNMENT OF IRAN OR TO ANY PERSON UNDER ITS JURISDICTION BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OR ANY PERSON UNDER ITS JURISDICTION, OR WHICH ARE TO USE, FABRICATE, OR PROCESS ANY OF THE FOLLOWING MATERIALS SO MADE AVAILABLE: SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL, MODERATOR MATERIAL, OR OTHER MATERIAL DESIGNATED BY

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(2) WITH RESPECT TO ANY SOURCE MATERIAL OR SPECIAL NUCLEAR MATERIAL MADE AVAILABLE TO THE IMPERIAL GOVERNMENT OF IRAN OR TO ANY PERSON UNDER ITS JURISDICTION UNDER THIS AGREEMENT OR THE SUPERSEDED AGREEMENT BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OR ANY PERSON UNDER ITS JURISDICTION AND ANY SOURCE MATERIAL OR SPECIAL NUCLEAR MATERIAL UTILIZED IN, RECOVERED FROM, OR PRODUCED AS A RESULT OF THE USE OF ANY OF THE FOLLOWING MATERIALS, EQUIPMENT OR DEVICES SO MADE AVAILABLE:

(A) SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL, MODERATOR MATERIAL, OR OTHER MATERIAL DESIGNATED BY THE ADMINISTRATION,

(B) REACTORS, AND

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(C) ANY OTHER EQUIPMENT OR DEVICES DESIGNATED BY THE ADMINISTRATION AS AN ITEM TO BE MADE AVAILABLE ON THE CONDITION THAT THE PROVISIONS OF THIS PARAGRAPH B (2) WILL APPLY,

(I) TO REQUIRE THE MAINTENANCE AND PRODUCTION OF OPERATING RECORDS AND TO REQUEST AND RECEIVE REPORTS FOR THE PURPOSE OF ASSISTING IN ENSURING ACCOUNTABILITY FOR SUCH MATERIALS, AND

(II) TO REQUIRE THAT ANY SUCH MATERIAL IN THE CUSTODY OF THE IMPERIAL GOVERNMENT OF IRAN OR ANY PERSON UNDER ITS JURISDICTION BE SUBJECT TO ALL OF THE SAFEGUARDS PROVIDED FOR IN THIS ARTICLE AND THE GUARANTEE SET FORTH IN ARTICLE X;

(3) TO DESIGNATE, AFTER CONSULTATION WITH THE IMPERIAL GOVERNMENT OF IRAN, PERSONNEL WHO, ACCOMPANIED, IF EITHER PARTY SO REQUESTS, BY PERSONNEL DESIGNATED BY THE IMPERIAL GOVERNMENT OF IRAN, SHALL HAVE ACCESS IN IRAN TO ALL PLACES AND DATA NECESSARY TO ACCOUNT FOR THE SOURCE MATERIAL AND SPECIAL NUCLEAR MATERIAL WHICH ARE SUBJECT TO PARAGRAPH B (2) OF THIS ARTICLE TO DETERMINE WHETHER THERE IS COMPLIANCE WITH THIS AGREEMENT AND TO MAKE SUCH INDEPENDENT MEASUREMENTS AS MAY BE DEEMED NECESSARY; AND

(4) TO CONSULT WITH THE ORGANIZATION IN THE MATTER OF HEALTH AND SAFETY.

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C. IN THE EVENT OF NON-COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE OR OF PARAGRAPHS C, D OR E OF ARTICLE VIII AND THE FAILURE OF THE IMPERIAL GOVERNMENT OF IRAN TO CARRY OUT THE PROVISIONS OF THIS ARTICLE OR OF PARAGRAPHS C, D OR E OF ARTICLE VIII WITHIN A REASONABLE TIME, OR IN THE EVENT OF NON-COMPLIANCE WITH THE GUARANTEE SET FORTH IN ARTICLE X, THE GOVERNMENT OF THE UNITED STATES OF

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AMERICA SHALL HAVE THE RIGHT TO SUSPEND OR TERMINATE THIS AGREEMENT AND TO REQUIRE THE RETURN OF ANY MATERIALS, EQUIPMENT AND DEVICES REFERRED TO IN PARAGRAPH B (2) OF THIS ARTICLE.

D. THE IMPERIAL GOVERNMENT OF IRAN UNDERTAKES TO FACILITATE THE APPLICATION OF SAFEGUARDS PROVIDED FOR IN THIS ARTICLE.

--ARTICLE XII--

A. THE PARTIES NOTE THAT, BY AN AGREEMENT SIGNED BY THE IMPERIAL GOVERNMENT OF IRAN AND THE INTERNATIONAL ATOMIC ENERGY AGENCY ON JUNE 19, 1973, PURSUANT TO ARTICLE III OF THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS, AND BY AN AGREEMENT AMONG THE PARTIES AND THE

AGENCY SIGNED BY THEM ON JUNE 19, 1973, THE AGENCY HAS BEEN APPLYING SAFEGUARDS TO MATERIALS, EQUIPMENT AND FACILITIES REQUIRED TO BE SAFEGUARDED UNDER THE SUPERSEDED AGREEMENT. THE PARTIES, RECOGNIZING THE DESIRABILITY OF CONTINUING TO MAKE USE OF THE FACILITIES AND SERVICES OF THE INTERNATIONAL ATOMIC ENERGY AGENCY, AGREE THAT AGENCY SAFEGUARDS SHALL CONTINUE TO APPLY TO MATERIALS, EQUIPMENT OR FACILITIES REQUIRED TO BE SAFEGUARDED UNDER THE SUPERSEDED AGREEMENT AND UNDER THIS AGREEMENT. IT IS UNDERSTOOD THAT THE NECESSARY ARRANGEMENTS THEREFOR WILL BE EFFECTED WITHOUT MODIFICATION OF THIS AGREEMENT AND THAT THE SAFEGUARDS RIGHTS ACCORDED TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA BY PARAGRAPH B OF ARTICLE XI OF THIS AGREEMENT WILL BE SUSPENDED DURING THE TIME AND TO THE EXTENT THAT THE GOVERNMENT OF THE UNITED STATES OF AMERICA AGREES THAT THE NEED TO EXERCISE SUCH RIGHTS IS SATISFIED BY THE SAFEGUARDS ARRANGEMENTS AS CONTEMPLATED IN THIS PARAGRAPH.

B. IN THE EVENT THE APPLICABLE SAFEGUARDS ARRANGEMENTS REFERRED TO IN PARAGRAPH A OF THIS ARTICLE SHOULD BE TERMINATED FOR ANY REASON AND, CONSEQUENTLY THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHOULD REASSUME THE SAFEGUARDS RIGHTS REFERRED TO IN PARAGRAPH B OF ARTICLE XI OF THIS AGREEMENT, THE PARTIES SHALL EXAMINE THE SITUATION SO CREATED IN THE LIGHT OF THE OBLIGATIONS ASSUMED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNDER THE TERMS OF THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS SO THAT APPROPRIATE MEASURES MAY BE TAKEN, IF NECESSARY, TO COMPLY SATISFACTORILY WITH THE ABOVE-MENTIONED OBLIGATIONS.

--ARTICLE XIII--

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THE RIGHTS AND OBLIGATIONS OF THE PARTIES PROVIDED FOR UNDER THIS AGREEMENT SHALL EXTEND, TO THE EXTENT APPLICABLE, TO COOPERATIVE ACTIVITIES INITIATED UNDER THE

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SUPERSEDED AGREEMENT, INCLUDING, BUT NOT LIMITED TO, INFORMATION, MATERIALS, EQUIPMENT AND DEVICES TRANSFERRED THEREUNDER.

==ARTICLE XIV==

THE "AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF IRAN CONCERNING CIVIL USES OF ATOMIC ENERGY" SIGNED ON MARCH 5, 1957, AS AMENDED, IS SUPERSEDED BY THIS AGREEMENT ON THE DATE THIS AGREEMENT ENTERS INTO FORCE.

==ARTICLE XV==

EACH OF THE PARTIES SHALL PROVIDE THE OTHER PARTY WITH WRITTEN NOTIFICATION THAT IT HAS COMPLIED WITH ITS STATUTORY AND CONSTITUTIONAL REQUIREMENTS FOR ENTRY INTO FORCE OF THIS AGREEMENT. THIS AGREEMENT SHALL ENTER INTO FORCE ON THE DATE ON WHICH ONE OF THE PARTIES HAS RECEIVED THE LATTER OF SUCH NOTIFICATIONS, AND SHALL REMAIN IN FORCE FOR A PERIOD OF FORTY YEARS. THE FORTY-YEAR PERIOD MAY BE EXTENDED FOR SUCH ADDITIONAL PERIOD AS MAY BE AGREED BETWEEN THE PARTIES IN ACCORDANCE WITH THEIR STATUTORY AND CONSTITUTIONAL REQUIREMENTS.

IN WITNESS WHEREOF, THE UNDERSIGNED, DULY AUTHORIZED, HAVE SIGNED THIS AGREEMENT.

DONE IN WASHINGTON, IN DUPLICATE, IN THE ENGLISH AND PERSIAN LANGUAGES, BOTH EQUALLY AUTHENTIC, THIS (BLANK) DAY (BLANK), 19 (BLANK).

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE IMPERIAL GOVERNMENT OF IRAN: END AGREEMENT TEXT.

3. BEGIN TEXT: PROPOSED ACCOMPANYING NOTE. THE SECRETARY OF STATE PRESENTS HIS COMPLIMENTS TO HIS EXCELLENCY, THE AMBASSADOR OF IRAN, AND HAS THE HONOR TO REFER TO THE PROPOSED AGREEMENT FOR COOPERATION SIGNED TODAY BETWEEN THE GOVERNMENT OF THE UNITED STATES AND IMPERIAL GOVERNMENT OF IRAN CONCERNING CIVIL USES OF ATOMIC ENERGY OF WHICH THIS EXCHANGE OF NOTES SHALL BE AN INTEGRAL PART.

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IN THE COURSE OF NEGOTIATIONS LEADING TO THIS AGREEMENT FOR COOPERATION, UNDERSTANDINGS ON SEVERAL POINTS WERE REACHED.

THE UNITED STATES FULLY UNDERSTANDS THAT IRAN PLANS A VIGOROUS NATIONAL NUCLEAR POWER PROGRAM AND, IN CONNECTION THEREWITH, MAY WISH TO DEVELOP CAPABILITIES IN THE NUCLEAR FUEL CYCLE AT AN APPROPRIATE TIME AFTER DUE CONSIDERATION

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THE UNITED STATES HAS ALSO NOTED WITH PLEASURE IRAN'S DESIRE TO EXERCISE LEADERSHIP IN FURTHERANCE OF THE OBJECTIVES OF THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS TO WHICH IRAN IS A PARTY, AND ITS INTENTION, IF IT SHOULD UNDERTAKE SENSITIVE FUEL CYCLE ACTIVITIES IN IRAN, TO DO SO UNDER CONDITIONS WHICH DEMONSTRATE IN THE MOST EFFECTIVE POSSIBLE WAY THAT SUCH ACTIVITIES ARE BEING CONDUCTED IN ACCORDANCE WITH THE OBJECTIVES OF THE TREATY. THE UNITED STATES UNDERSTANDS THAT IRAN PLANS TO CONSULT CLOSELY WITH THE UNITED STATES AT SUCH TIME AS IT APPEARS THAT ANY MATERIAL COVERED BY THIS AGREEMENT REQUIRE REPROCESSING. THE UNITED STATES ALSO IS ESPECIALLY PLEASED TO LEARN OF IRAN'S DETERMINATION, IF AND WHEN REPROCESSING FACILITIES ARE ESTABLISHED IN IRAN, TO ACHIEVE THE FULLEST POSSIBLE PARTICIPATION IN THE MANAGEMENT AND OPERATION OF SUCH FACILITIES OF THE NATION OR NATIONS WHICH SERVE AS SUPPLIERS OF TECHNOLOGY AND MAJOR EQUIPMENT. THE UNITED STATES ALSO APPRECIATES HAVING BEEN ADVISED THAT IRAN WILL BE PREPARED, IN CONNECTION WITH THE ESTABLISHMENT OF SUCH FACILITIES, TO INVITE THE GOVERNMENT OF THE UNITED STATES OR PERSONS DESIGNATED BY IT TO PARTICIPATE FULLY AND ACTIVELY IN THEIR MANAGEMENT AND OPERATION. (. . .)

IN LIGHT OF THESE CONSIDERATIONS, THE GOVERNMENT OF THE UNITED STATES IS PLEASED TO INFORM THE IMPERIAL GOVERNMENT OF IRAN THAT, IN CONNECTION WITH ARTICLE VIII, SUBPARAGRAPH C(1) AND IN THE EVENT THAT IRAN ESTABLISHES AND OPERATES REPROCESSING, CONVERSION, FABRICATION OR STORAGE FACILITIES:

- (A) WHICH ARE LOCATED WITHIN IRAN; AND
- (B) WHICH ARE UNDER THE MANAGEMENT AND OPERATION OF TWO OR MORE NATIONS INVOLVING THE FULL AND ACTIVE PARTICIPATION OF A NATION OR NATIONS SUPPLYING THE TECHNOLOGY, PLANT OR PRINCIPAL EQUIPMENT THEREFOR; AND
- (C) IN THE MANAGEMENT AND OPERATION OF WHICH THE GOVERNMENT OF THE UNITED STATES, OR PERSONS DESIGNATED BY IT, HAVE BEEN AFFORDED A CONTINUING OPPORTUNITY TO PARTICIPATE ON AN EQUITABLE BASIS; AND
- (D) IN WHICH THE SAFEGUARDS OF ARTICLE XI OF THE AGREEMENT MAY BE AND ARE BEING EFFECTIVELY APPLIED;

SUCH FACILITIES SHALL BE DEEMED TO BE ACCEPTABLE TO THE PARTIES AS CONTEMPLATED IN ARTICLE VIII, SUBPARAGRAPH C(1) OF THE AGREEMENT FOR THE REPROCESSING, CONVERSION, FABRICATION, STORAGE OR ALTERATION, AS THE CASE MAY BE, OF SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THE AGREEMENT, UNLESS, IN THE CASE OF STORAGE OF PLUTONIUM, THE PARTIES HAVE AGREED ON DEPOSIT ARRANGEMENTS AS CONTEMPLATED IN ARTICLE XII, SUBPARAGRAPH A(5) OF THE

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STATUTE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY, 66625

THE GOVERNMENT OF THE UNITED STATES SHALL NOT REQUIRE MAJORITY CONTROL TO AFFORD THE "FULL AND ACTIVE PARTICIPATION" CONTEMPLATED IN SUBPARAGRAPH (B) ABOVE.

IN THE COURSE OF DISCUSSIONS OF THIS SUBJECT, REPRESENTATIVES OF THE IMPERIAL GOVERNMENT OF IRAN POINTED OUT THAT THE POSSIBILITY EXISTS THAT, NOTWITHSTANDING THE STRENUOUS EFFORTS WHICH THAT GOVERNMENT IS PREPARED TO MAKE TO SECURE THE PARTICIPATION OF ANOTHER NATION OR NATIONS, ALONG THE ABOVE-INDICATED LINES, IN ANY SUCH MULTINATIONAL REPROCESSING, CONVERSION, FABRICATION OR STORAGE FACILITIES THAT MAY BE BUILT IN IRAN, SUCH PARTICIPATION MAY NOT BE ACHIEVED FOR REASONS BEYOND THE CONTROL OF THE IMPERIAL GOVERNMENT OF IRAN. IN SUCH AN EVENTUALITY WITH RESPECT TO REPROCESSING, SUBPARAGRAPH C(2) OF ARTICLE VIII OF THE AGREEMENT GRANTS THE GOVERNMENT OF THE UNITED STATES THE RIGHT TO REQUIRE, UNDER AN AGREEMENT OR AGREEMENTS

INVOLVING THE EXCHANGE OF MATERIALS OR OTHERWISE, THAT IRRADIATED SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THE AGREEMENT BE TRANSFERRED FROM IRAN, AND REFLECTS THE PARTIES' CONCERN THAT IMPLEMENTATION OF THE PROVISIONS OF ARTICLE VIII, PARAGRAPH C OF THE AGREEMENT NOT PREJUDICE IRAN'S ACCESS TO SUFFICIENT FUEL MATERIAL FOR THE OPERATION OF IRAN'S NUCLEAR POWER PROGRAM. MOREOVER, IN THE EVENT THAT THIS RIGHT IS NOT EXERCISED, ARTICLE VIII, SUBPARAGRAPH C(1) PROVIDES THAT REPROCESSING, TOGETHER WITH CERTAIN OTHER FUEL CYCLE ACTIVITIES, MAY BE PERFORMED IN FACILITIES ACCEPTABLE TO THE PARTIES OTHER THAN THOSE DESCRIBED ABOVE. THE PARTIES HAVE AGREED THAT, IN THIS CONNECTION, "FACILITIES ACCEPTABLE TO THE PARTIES" SHALL MEAN EITHER:

(A) A FACILITY OR FACILITIES LOCATED WITHIN IRAN WITH RESPECT TO WHICH THE PARTIES DETERMINE THAT THE PROVISIONS OF ARTICLE XI OF THE AGREEMENT MAY BE AND ARE BEING EFFECTIVELY APPLIED, IN ACCORDANCE WITH AN AGREEMENT AS CONTEMPLATED BY ARTICLE XII OF THE AGREEMENT OR OTHERWISE; OR

(B) FACILITIES NOT OTHERWISE DESCRIBED IN SUBPARAGRAPH (A) ABOVE WHICH THE PARTIES JOINTLY DETERMINE TO BE ACCEPTABLE.

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THE GOVERNMENT OF THE UNITED STATES IS ALSO PLEASED TO TAKE THIS OPPORTUNITY TO REAFFIRM THAT, WITH RESPECT TO IMPLEMENTATION OF ARTICLE VIII, PARAGRAPH C CONCERNING REPROCESSING, CONVERSION, FABRICATION, STORAGE OR ALTERATION OF MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THE AGREEMENT, THE UNITED STATES WILL IN NO CIRCUMSTANCES SEEK TO GAIN ANY COMMERCIAL ADVANTAGE THROUGH DECISIONS AFFECTING THE LOCATION OF SUCH FACILITIES. MOREOVER, THE

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GOVERNMENT OF THE UNITED STATES, IN RESPONDING TO REQUESTS FOR APPROVAL OF SUCH ACTIVITIES IN IRAN, WILL IN ALL CIRCUMSTANCES GIVE ITS FULL AND SYMPATHETIC CONSIDERATION, TAKING INTO ACCOUNT ALL RELEVANT CIRCUMSTANCES, INCLUDING PARTICULARLY THE FACT THAT IRAN IS A PARTY TO THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS, AND THAT THE PROVISIONS OF ARTICLE VIII, PARAGRAPH C ARE INTENDED SOLELY TO FURTHER THE NON-PROLIFERATION OBJECTIVES OF MUTUAL INTEREST TO BOTH PARTIES TO THIS AGREEMENT.

IT IS FURTHER UNDERSTOOD THAT, IF AND WHEN ONE OR MORE COMMERCIAL FAST BREEDER REACTORS ARE CONSTRUCTED IN IRAN, AND SUBJECT TO THE FOLLOWING PROVISIONS OF THIS PARAGRAPH, THE GOVERNMENT OF THE UNITED STATES WOULD BE

PREPARED NOT TO EXERCISE THE RIGHT GRANTED BY ARTICLE VIII, SUBPARAGRAPH C(2) OF THE AGREEMENT TO THE EXTENT THAT RECOVERABLE PLUTONIUM CONTAINED IN IRRADIATED SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THE AGREEMENT IS NEEDED FOR THE AFOREMENTIONED REACTOR OR REACTORS. THE TIME AT WHICH THE UNDERSTANDING IN THE PRECEDING SENTENCE WOULD BECOME EFFECTIVE WOULD BE DETERMINED BY THE MINIMUM TIME NECESSARY TO ACCUMULATE THE PLUTONIUM REQUIRED FOR SUCH COMMERCIAL FAST BREEDER REACTOR USE FROM IRRADIATED SPECIAL NUCLEAR MATERIAL SUBJECT TO ARTICLE X, PARAGRAPH (2) OF THE AGREEMENT, TAKING INTO ACCOUNT THE NECESSARY TIME FOR REPROCESSING, FUEL FABRICATION, AND RELATED OPERATIONS. IN DETERMINING THE AMOUNT OF PLUTONIUM NEEDED FOR SUCH COMMERCIAL FAST BREEDER REACTOR USE, THE PARTIES SHALL TAKE INTO ACCOUNT THE EXISTENCE OF PLUTONIUM WHICH IS OTHERWISE AVAILABLE FOR SUCH USE TO THE IMPERIAL GOVERNMENT OF IRAN OR AUTHORIZED PERSONS UNDER ITS JURISDICTION FROM SOURCES IN THE UNITED STATES OR ELSEWHERE, INCLUDING PLUTONIUM WHICH PERSONS UNDER THE JURISDICTION OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA ARE PREPARED TO TRANSFER TO IRAN IN FABRICATED FORM.

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IT IS ALSO UNDERSTOOD THAT, IN CONNECTION WITH ARTICLE VIII, PARAGRAPH E OF THE AGREEMENT, AS OF THE DATE OF EXECUTION OF THE AGREEMENT THE PROVISIONS OF INFCIRC/225 (CORRECTED), "THE PHYSICAL PROTECTION OF NUCLEAR MATERIAL REPRINTED BY THE INTERNATIONAL ATOMIC ENERGY AGENCY IN FEBRUARY 1976, PROVIDE A SATISFACTORY BASIS FOR THE PHYSICAL SECURITY MEASURES AS CONTEMPLATED BY ARTICLE VIII, PARAGRAPH E OF THE AGREEMENT. MOREOVER, IN IMPLEMENTING ARTICLE VIII, PARAGRAPH E, THE PARTIES SHALL TAKE INTO ACCOUNT OTHER INTERNATIONAL PHYSICAL SECURITY GUIDELINES OR UNDERSTANDINGS TO WHICH THE GOVERNMENTS OF IRAN AND THE UNITED STATES SUBSCRIBE AS WELL AS PHYSICAL SECURITY MEASURES WHICH HAVE BEEN DEVELOPED UNDER OTHER INTERNATIONAL AGREEMENTS TO WHICH THE IMPERIAL GOVERNMENT OF IRAN IS A PARTY. IT IS FURTHER UNDERSTOOD

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THAT THE IMPERIAL GOVERNMENT OF IRAN WILL REQUIRE THAT PHYSICAL SECURITY MEASURES NOT LESS STRINGENT THAN THOSE REQUIRED BY THE AGREEMENT BE APPLIED WITH RESPECT TO ANY MATERIALS, EQUIPMENT AND DEVICES TRANSFERRED FROM IRAN TO ANOTHER NATION OR GROUP OF NATIONS.

THE IMPERIAL GOVERNMENT OF IRAN REQUESTED CONFIRMATION FROM THE GOVERNMENT OF THE UNITED STATES THAT NOTHING IN THE AGREEMENT WOULD PRECLUDE IRAN FROM RECEIVING THE POTENTIAL BENEFITS FROM ANY PEACEFUL APPLICATIONS OF NUCLEAR EXPLOSIONS IN ACCORDANCE WITH THE TREATY ON THE

NON-PROLIFERATION OF NUCLEAR WEAPONS. THE GOVERNMENT OF THE UNITED STATES CONFIRMS THAT THE MAKING AVAILABLE OF ANY SUCH BENEFITS TO IRAN BY THE UNITED STATES WOULD BE GOVERNED BY ARTICLE V OF THE TREATY AND THE PARTIES' DOMESTIC LEGAL REQUIREMENTS, AND WOULD NOT BE PRECLUDED IN ANY WAY BY THE AGREEMENT.

WITH RESPECT TO ARTICLE XII, PARAGRAPH A, THE GOVERNMENT OF THE UNITED STATES UNDERSTANDS THAT, AT SUCH TIME AS THE SAFEGUARDS RIGHTS ACCORDED TO THE GOVERNMENT OF THE UNITED STATES ARE SUSPENDED WITH RESPECT TO TRANSFERS UNDER THE AGREEMENT, DURING SUCH SUSPENSION THE IMPERIAL GOVERNMENT OF IRAN WILL AUTHORIZE THE INTERNATIONAL ATOMIC ENERGY AGENCY TO MAKE AVAILABLE TO THE GOVERNMENT OF THE UNITED STATES REQUESTED INFORMATION ON THE IMPLEMENTATION OF THE APPLICABLE SAFEGUARDS AGREEMENT WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY.

WITH RESPECT TO ARTICLE XV, THE UNITED STATES EMPHASIZES ITS UNDERSTANDING, WHICH IS CONSISTENT WITH THE POSITION OF THE UNITED STATES WITH RESPECT TO ALL OTHER U.S. AGREEMENTS FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY AND RELATED AGREEMENTS CONCERNING THE APPLICATION OF SAFEGUARDS BY THE INTERNATIONAL ATOMIC ENERGY AGENCY TO WHICH THE UNITED STATES IS A PARTY, THAT THE SAFEGUARDS AND GUARANTEE PROVISIONS OF THE AGREEMENT, TOGETHER WITH THE RIGHTS AFFORDED THE UNITED STATES OR THE ADMINISTRATION UNDER PARAGRAPHS C, D AND E OF ARTICLE VII, SHALL, NOTWITHSTANDING THE SUSPENSION, TERMINATION OR EXPIRATION OF THE AGREEMENT FOR COOPERATION, HAVING CONTINUING EFFECT.

UPON RECEIPT OF HIS EXCELLENCY'S NOTE CONFIRMING THAT THE IMPERIAL GOVERNMENT OF IRAN SHARES THE ABOVE UNDERSTANDINGS, THE EXCHANGE OF NOTES SHALL CONSTITUTE THE FORMAL RECORD OF THESE MUTUAL UNDERSTANDINGS AND SHALL BE AN INTEGRAL PART OF THE AGREEMENT FOR COOPERATION.
END OF TEXT. KISSINGER.

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