

ELEMENTS OF A REVISED PROPOSAL TO IRAN

Our goal is to develop relations and cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme. We propose a fresh start in negotiations of a comprehensive agreement with Iran. Such an agreement would be deposited with the IAEA and endorsed in a Security Council resolution.

To create the right conditions for negotiations:

We will:

- reaffirm Iran's right to develop nuclear energy for peaceful purposes in conformity with its NPT obligations, and in this context reaffirm their support for the development by Iran of a civil nuclear power energy programme;
- commit to actively support the building of new light water reactors in Iran through international joint projects, in accordance with the IAEA Statute and the NPT.
- agree to suspend discussion of Iran's file nuclear programme at the Security Council on resumption of negotiations.

Iran will:

- commit to addressing all the outstanding concerns of the IAEA through full cooperation with the IAEA;
- suspend all enrichment-related and reprocessing activities to be verified by the IAEA, as requested by the IAEA Board of Governors and the UN Security Council, and commit to continue this during these negotiations; and
- resume implementation of the Additional Protocol and commit to taking the other steps called for by the IAEA Board of Governors;

AREAS OF FUTURE COOPERATION TO BE COVERED IN NEGOTIATIONS ON A LONG TERM AGREEMENT

NUCLEAR

We will take the following steps:

Iran's Rights to Nuclear Energy

- reaffirm Iran's inalienable right to nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of the NPT, and co-operate with Iran in the development by Iran of a civil nuclear power programme.
- negotiate and implement a Euratom/Iran nuclear cooperation agreement.

Light Water Reactors:

- actively support the building of new light water power reactors in Iran through international joint projects, in accordance with the IAEA Statute and the NPT, using state-of-the art technology, including by authorising the transfer of necessary goods and the provision of advanced Japanese technology to make its power reactors safe against earthquakes.
- provide assistance co-operation with the management of spent nuclear fuel and radioactive waste through appropriate provision and take back arrangements.

Research & Development in Nuclear Energy

- provide a substantive package of research and development co-operation, including possible provision of light water research reactors, notably in the fields of radioisotope production, basic research and nuclear applications in medicine and agriculture.

Fuel Guarantees

- give legally binding, multi-layered fuel assurances to Iran, based on:

" participation as a partner in an international enrichment facility in Russia to provide enrichment services for a reliable supply of fuel to Iran's nuclear reactors. Such a facility would enrich all the UF6 produced by the uranium conversion facility at Isfahan. Subject to negotiations, such a facility could enrich all the UF6 produced in Iran.

" establishment on commercial terms of a buffer stock to hold a reserve of up to 5 years' supply of nuclear fuel dedicated to Iran, with participation and under supervision of the IAEA.

" development of a standing multilateral mechanism for reliable access to nuclear fuel with the IAEA based on ideas to be considered at the next Board of Governors.

Review of Moratorium

The long-term agreement would, with regard to common efforts to build international confidence, include a clause for review of the agreement in all its aspects, to follow :

- confirmation by the IAEA that all outstanding issues and concerns reported by the IAEA, including those activities which could have a military nuclear dimension, have been resolved; and

- confirmation that there are no undeclared nuclear activities or materials in Iran and that international confidence in the exclusively peaceful nature of Iran's civil nuclear programme has been restored.; and

POLITICAL AND ECONOMIC

Regional Security Co-operation

Support for a new conference to promote dialogue and cooperation on regional security issues.

International Trade & Investment

Improving Iran's access to the international economy, markets and capital, through practical support for full integration into international structures, including the WTO, and to create the framework for increased direct investment in Iran and trade with Iran (including a Trade and Economic Cooperation Agreement with EU). Steps would be taken to improve access to key goods and technology.

Civil Aviation

Civil aviation cooperation, including the possible removal of restrictions on US and European manufacturers, from exporting civil aircraft to Iran, thereby opening up widening the prospect of Iran renewing its fleet of civil airliners.

Energy Partnership

Establishment of a long-term energy partnership between between Iran and the EU and other willing partners and the EU, with concrete and practical applications.

Telecommunications Infrastructure

Support for the modernisation of Iran's telecommunication infrastructure and advanced internet provision, including by possible removal of relevant US and other export restrictions.

High Technology Co-operation

Co-operation in fields of high technology and other areas to be agreed.

Agriculture

Support for agricultural development in Iran, including possible access to US and European agricultural products, technology and farm equipment.