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ACTION

C O N F I D E N T I A L ZYUW

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DISTR

J4(09) J5(02) SAGA(01) SECDEF(07) SECDEF: ASD:ISA(10)  
ASD:MRAL(02) ATSD:AE(01) DIA: DIA(10) NMIC AF:IXOXX(02) CNO:OP61(03)  
(053) CSA:DAMO(06) FILE

TRANSIT/171038Z/161019Z/023:41TOR2301011  
DE RUQMHR #7863 2291045  
ZNY CCCCC ZOC STATE ZZH  
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DE RUQMHR #7863 2291045  
ZNY CCCCC ZZH  
R 171038Z AUG 78

FM AMEMBASSY TEHRAN  
TO RUEHC/SECSTATE WASHDC 9884  
INFO RUFHOL/AMEMBASSY BONN 1044  
RUEHBAC/AMEMBASSY CANBERRA 117  
RUFNPS/AMEMBASSY PARIS 7122  
BT

C O N F I D E N T I A L PARIS 07863

E.O. 11652 GDS  
TAGS: MNUC PARM TECH ENRG IR  
SUBJ: REASSESSMENT OF IRAN'S NUCLEAR ENERGY PLANS?

STATE DEPT. DECLASSIFICATION REVIEW  
Class'n Change to \_\_\_\_\_  
Declassify in part and excise as shown  
E.O. 12958, 25X( ) ( )  
Declassify  After \_\_\_\_\_ (not obtained)  
With concurrence \_\_\_\_\_  
Date 6/25/98  
IPS by RM Gibson

1. EDITORIAL IN AUGUST 15 "KAYHAN INTERNATIONAL" TITLED "IT'S TIME TO CALL A MORATORIUM ON ALL NEW NEGOTIATIONS IN NUCLEAR SECTOR" IS OSTENSIBLY AIMED AT AUSTRALIAN URANIUM PURCHASE DEAL BUT CLEARLY IMPLIES CRITICISM OF PENDING U.S. BILATERAL AGREEMENT. EDITORIAL SINGLES OUT RETRANSFER AND REPROCESSING CLAUSES AS MOST OBJECTIONABLE SAYING THAT THEY "COULD SERIOUSLY RESTRICT IRAN'S OPTIONS WITH RESPECT TO THE DEVELOPMENT OF ITS NUCLEAR POWER PROGRAMS." EDITORIAL CLAIMS THAT WITH COMMITMENT FROM FRENCH AND GERMAN CONTRACTORS FOR UP TO TEN YEAR FUEL SUPPLY, PAST PURCHASES OF 30,000 TONS OF URANIUM ORE FROM OTHER COUNTRIES, PLUS PROPOSED 15,000 TO 20,000 TONS OF AUSTRALIAN ORE, IRAN MAY FIND ITSELF WITH OVER-SUPPLY. SALE OF SURPLUS ORE, VOLUME OF WHICH MAY BE INCREASED "IF SIZE OF NUCLEAR PROGRAM IS IN FACT REDUCED AS WE HAVE LONG

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ADVOCATED," COULD BE BLOCKED BY COMPETITOR SUCH AS AUSTRALIA DUE TO PRIOR CONSENT FOR RETRANSFER, ON REPROCESSING, "IRAN HAS NO PLANS FOR SETTING UP DOMESTIC REPROCESSING FACILITIES AT PRESENT, BUT THEN IT SHOULD NOT FORCLOSE ITS OPTION TO REPROCESS ITS FUEL INDEFINITELY EITHER." CALLING FOR NEW NUCLEAR PROGRAM TO BE "DRAWN UP, NEEDS ASSESSED, AND RESPONSIBILITIES CLARIFIED" EDITORIAL URGES THAT "IRAN SHOULD NOT RUSH INTO AN AGREEMENT WHOSE IMPLICATIONS OVER THE NEXT DECADE OR TWO ARE AT BEST UNCLEAR, AND AT WORST UNDESIRABLE."

2. THIS CRITICISM OF TWO SPECIFIC CLAUSES IN THE AUSTRALIAN DRAFT IMPLIES AN UNUSUAL ACCESS OF THE MEDIA TO THE NEGOTIATIONS. FRONT PAGE OF PAPER CARRIES ARTICLE REPORTING AUSTRALIAN URANIUM ORE AGREEMENT AS "RESTRICTIVE NUCLEAR DEAL". ARTICLE IS ALSO CRITICAL OF IRAN'S AMBITIOUS NUCLEAR POWER PLANS, WHICH IT STATES ARE UNDERGOING A REASSESSMENT.

3. WE HAVE HEARD THAT SUCH A REASSESSMENT IS UNDERWAY, BUT HAVE YET TO DETERMINE ITS MANDATE OR COMPLETE COMPOSITION OF REVIEW TEAM. AT THIS POINT IT COULD BE ONLY AN EXPRESSION OF CONCERN BY A SMALL GROUP, SINCE THE OFFICIAL LINE REMAINS FULFILLMENT OF COMMITMENT TO 23,000 MWE OF NUCLEAR POWER INSTALLED BY AROUND 1993.

4. INVOLVEMENT OF "KAYHAN" JOURNALIST BIJAN MOSSAVAR-RAHMANI (PROTECT EMBASSY KNOWLEDGE) IN AUSTRALIAN URANIUM TALKS AS WELL AS NUCLEAR REVIEW STRONGLY SUGGESTS THAT THIS EDITORIAL HAS GOI, EVEN PM'S BLESSING AND MAY SERVE AS INTRODUCTION OF OFFICIALLY-ADMITTED RETHINK OF GOI ENERGY STRATEGY.

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