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INCOMING
TELEGRAM

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ACTION AIT-02

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INFO OCT-01 EA-10 ADS-00 NRC-02 SAS-02 COM-02 AID-07
CEA-01 CIAE-00 DODE-00 EB-00 DOE-17 H-01 INR-10
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11
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FM AIT TAIPEI
TO AIT WASHDC

CONFIDENTIAL TAIPEI 03020

E.O. 12065: GDS 6/16/86 (LONG, TIMOTHY J.)
TAGS : ENRG, TECH, TW
SUBJECT : EXPORTS OF NUCLEAR MATERIALS AND EQUIPMENT
TO TAIWAN

1. (C - ENTIRE TEXT)

2. WITH THE ASSURANCE ISSUE HOPEFULLY BEHIND US, WE BELIEVE IT IS IMPORTANT TO MOVE SWIFTLY ON MANY OF THE EXPORT LICENSES IN THE NUCLEAR FIELD THAT ARE STILL PENDING EXECUTIVE BRANCH ACTION. WE HAVE RECEIVED SEVERAL INQUIRIES FROM AEC, INER AND TAIPOWER ABOUT THE STATUS OF VARIOUS EXPORT LICENSE REQUESTS BUT HAVE REFRAINED FROM COMMENT UNTIL ASSURANCE ISSUE CONCLUDED.

3. HEAVY WATER FOR INER: ON JUNE 5, DR. CH' IEN OF INER DISCUSSED THE HEAVY WATER ISSUE WITH DIRECTOR CROSS AND AITOFF LONG. JUSTIFICATION FOR THE FOUR TONS OF HEAVY WATER HAD BEEN SUBMITTED TO AEC FOR PASSAGE TO AIT IN EARLY MAY. APPARENTLY JUSTIFICATION WAS SENT DIRECTLY BACK TO DEPARTMENT, NOT AIT, AND ASSUME IT HAS BEEN RECEIVED BY NOW. IF NOT, WE WILL FORWARD COPY WHICH WE OBTAINED FROM DR. CH' IEN ON JUNE 5. RECALL DISCUSSION BETWEEN NUCLEAR TEAM MEMBERS AND DR. CH' IEN REGARDING AMOUNT OF HEAVY WATER NECESSARY FOR TRR BACK UP. IF AMOUNT OF HEAVY WATER IS STILL A PROBLEM, THEN PERHAPS A SMALLER QUANTITY MIGHT BE ACCEPTABLE. IF THIS IS THE CASE, SHOULD THE EXPORTER SUBMIT NEW APPLICATION FOR LESSER AMOUNT OR CAN THE AMOUNT BE DECREASED AT TIME OF LICENSE APPROVAL?

4. HALDEN FUEL (XSNM-1542): OF THE SEVERAL FUEL LICENSES STILL PENDING, WE VIEW THIS REQUEST AS ONE OF MOST IMPORTANT IN TERMS OF INFLUENCING INER RESEARCH EFFORTS. HALDEN FUEL EXPERIMENTS IN HOT LAB WILL BE IN DIRECT SUPPORT TO TAIPOWER PROGRAMS AND ITS FUEL FABRICATION EFFORTS. IT IS TO U.S. ADVANTAGE TO FOSTER COOPERATIVE EFFORTS BETWEEN TAIPOWER AND INER AS MUCH AS POSSIBLE. THE HALDEN FUEL ANALYSIS AND EXAMINATION IS AN IMPORTANT STEP IN THIS DIRECTION.

5. PARTS AND COMPONENTS FOR PRIMARY COOLANT PUMPS (XCOMQ295): TAIPOWER HAS BEEN USING THIS PENDING LICENSE TO SERVE AS AN EXAMPLE THAT U.S. IS AN UNRELIABLE SUPPLIER. WHILE THEY HAVE BETTER GRASP OF TIME NECESSARY FOR FUEL REQUESTS, THEY HAVE DIFFICULT TIME UNDERSTANDING WHY THERE IS A DELAY IN RECEIVING SPARE PARTS AND COMPONENTS FOR EQUIPMENT WHICH HAS ALREADY BEEN INSTALLED. WHETHER TAIPOWER IS REALLY CONCERNED ABOUT THE FUTURE OF THIS LICENSE IS NOT IMPORTANT. CERTAIN TAIWAN AUTHORITIES ARE USING THIS SPECIFIC REQUEST TO MAKE THEIR POINT ABOUT U.S. UNRELIABILITY AND THEREFORE WE BELIEVE THAT QUICK ACTION ON THIS REQUEST MAY TAKE SOME WIND OUT OF THEIR SAILS.

6. THORIUM FUEL STUDIES: DURING JUNE 5 VISIT TO INER DR. CH' IEN BROUGHT UP POSSIBILITY OF DOING THORIUM FUEL STUDIES AT INER IN HOT LAB. APPARENTLY THE HOT LAB HAS THE FACILITIES FOR SUCH RESEARCH BUT INER, AT REQUEST OF

U.S., HAS NOT PURSUED THIS AVENUE. AIT FILES DO NOT INDICATE BACKGROUND ON THIS SUBJECT. WOULD APPRECIATE BRIEF SYNOPSIS OF DISCUSSIONS INVOLVING THORIUM FUEL RESEARCH AT INER. IT IS DR. CH' IEN'S CONTENTION THAT SINCE THORIUM IS THE ONLY NATURAL NUCLEAR FUEL AVAILABLE ON TAIWAN AND SINCE THE DENATURED THORIUM FUEL CYCLE IS ACCEPTABLE IN REGARD TO PROLIFERATION ISSUES, TAIWAN SHOULD BE ENCOURAGED TO ENGAGE IN RESEARCH IN THIS AREA.

7. IN RECENT DISCUSSIONS WITH AEC, INER AND TAIPOWER OFFICIALS, WE HAVE STRESSED IMPORTANCE OF NOTIFYING AIT OF ANY PROBLEMS ENCOUNTERED IN THE NUCLEAR ENERGY FIELD. WE DEEM THIS WAY PREFERABLE TO PREVIOUS INDIRECT ROUTES THROUGH NUCLEAR POWER COMPANIES AND OTHER SUCH ORGANIZATIONS. WHILE SOME ELEMENTS FEEL THE AIRING OF GRIEVANCES THROUGH VARIOUS MECHANISMS IN THIS FIELD WILL SOMEHOW CLARIFY THE SITUATION AND BRING ABOUT A FAVORABLE DECISION TO TAIWAN, WE HAVE CAUTIONED THAT IN SOME CASES AIRING OF PROBLEMS IN THE NUCLEAR AREA INVOLVING MANY INDIVIDUALS AND ORGANIZATIONS MAY CONFUSE THE ISSUE AND MAY HAVE OPPOSITE EFFECT THAN THE ONE DESIRED. WE ENVISION OUR ROLE IN THIS WHOLE FIELD AS ONE OF A USEFUL CONDUIT THROUGH WHICH MEANINGFUL DISCUSSIONS CAN BE CARRIED ON TO CLARIFY AND RESOLVE PROBLEM AREAS. CROSS

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