# Department of State

OUTGOING TELEGRAM (24)

S/AS



ORIGIN SS-3Ø

INFO OCT-ØØ ADS-ØØ SSO-ØØ /Ø3Ø R

DRAFTED BY OES/NEC:G F HELFRICH:JWM
APPROVED BY OES/NEC:G F HELFRICH
S/AS:A LOCKE
ACDA/NP/NX:R WILLIAMSON (INFO)
DOE/,A:H BENGELSDORF (INFO)
EUR/RPE:W BARMON
S/S-O: JTAYLOR

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FM SECSTATE WASHDC
TO AMEMBASSY BONN PRIORITY
AMEMBASSY VIENNA PRIORITY

S E C R E T STATE 175927

EXDIS; USIAEA

E.O. 12Ø65: RDS-3 7/3/9Ø (HELFRICH, GERARD F.) OES/NEC

TAGS: PARM, MNUC, ENRG, TECH, GW

SUBJECT: NUCLEAR EXPORTS TO TAIWAN

REF: BONN 12ØØ9

1. (S - ENTIRE TEXT)

2. ON JUNE 13, 198Ø, GERMAN CHARGE D'AFFAIRES DANNENBRING AND SCIENCE COUNSELOR MENDEN CALLED ON AMBASSADOR SMITH TO DISCUSS SITUATION RELATING TO POSSIBLE GERMAN NUCLEAR EXPORTS TO TAIWAN. KWU WOULD LIKE TO BID ON TAIPOWER NUCLEAR UNITS 7 AND 8 AS WELL AS FUTURE PLANTS. HOWEVER, FRG RECOGNIZED THERE WAS POTENTIAL PROBLEM RELATING TO APPLICATION OF IAEA SAFEGUARDS AND CONSULTED WITH AGENCY STAFF ON THE SUBJECT. AGENCY INFORMED THEM THAT U.S. HAS MADE ARRANGEMENTS WITH TAIWAN TO ADD NON-U.S. SUPPLIED ITEMS TO THE INVENTORY LIST OF THE U.S. TRILATERAL (INFCIRC/158) AND THE WAY FOR FRG TO SOLVE THEIR PROBLEM WAS TO HAVE U.S. ADD FRG SUPPLIED ITEMS TO THAT INVENTORY. ACCORDINGLY, FRG WOULD LIKE TO KNOW ON AN URGENT BASIS (SINCE A REQUEST FOR BIDS ON UNITS 7 AND 8 IS EXPECTED TO BE ISSUED SHORTLY) IF THE U.S. WOULD BE PREPARED TO ADD GERMAN SUPPLIED REACTORS TOINVENTORY OFTRILATERAL
FOR SAFEGUARDS PURPOSES.

3. THE FRG REPRESENTATIVES WERE INFORMED THAT THEIR INFORMATION WAS ESSENTIALLY CORRECT IN THAT U.S. IS ABLE TO ADD NON-U.S. ITEMS TO TRILATERAL. HOWEVER, QUESTION OF THE CONDITIONS THAT MIGHT BE APPLICABLE TO AGREEMENT TO ADD MAJOR NEW FACILITIES TO THAT INVENTORY FOR WHICH THE U.S. WAS NOT A SUPPLIER HAD NOT YET BEEN ADDRESSED. SINCE THAT WOULD BE ACCOMPLISHED BY MAKING FACILITY SUBJECT TO THE U.S. BILATERAL, THE U.S. WOULD BE ASSUMING CERTAIN BILATERAL OBLIGATIONS AND WE WOULD NEED TO ADDRESS THE QUESTION OF THE ROLE OF THE SUPPLIER NATION IN MEETING THOSE OBLIGATIONS.

4. GERMANS RESPONDED THAT THEY WOULD HAVE NO PROBLEM WITH THEIR EQUIPMENT BEING SUBJECT TO THE U.S. BILATERAL. THEY WERE INFORMED THAT ISSUE WAS BROADER IN THAT U.S. WOULD NEED TO ADDRESS THE SUPPLIER NATION ROLE IN ASSURING THAT THE REQUIREMENTS OF OUR BILATERAL ARE MET, FOR EXAMPLE, IN THE AREA OF FALLBACK SAFEGUARDS RIGHTS. THEY ASKED IF ARRANGEMENTS BETWEEN THE SUPPLYING COMPANY AND THE CUSTOMER MIGHT SUFFICE AND WERE TOLD THAT IT DID NOT APPEAR FEASIBLE TO PERMIT PRIVATE COMMERCIAL ARRANGEMENTS TO PIGGYBACK ON GOVERNMENT-TO-GOVERNMENT AGREEMENTS. THEY NOTED THIS AND REQUESTED THAT MATTER BE REVIEWED AND THEY BE INFORMED OF THE CONDITIONS THAT WOULD BE REQUIRED IN ORDER TO ADD GERMAN PROVIDED REACTORS TO THE INVENTORY OF THE U.S. TRILATERAL, HOPEFULLY WITHIN THREE TO FOUR WEEKS.

5. THIS ISSUE IS CURRENTLY UNDER REVIEW WITHIN INVOLVED USG AGENCIES AND WE HOPE TO HAVE CLEARED POSITION WITHIN NEXT SEVERAL WEEKS.

CHRISTOPHER

STATE DEPT. DECLASSIFICATION REVIEW
☐ Retain Class'n ☐ Change to _____
☐ Declassify in part and excise as shown
EO 12958, 25X( )( )( ) _____
☒ Declassify ☐ After _____
☐ With concurrence _____ (not)(obtained)
IPS by _____ Date _____
JUL 11 2002



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