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ACTION IO-13

INFO OCT-01 EA-07 ISO-00 OES-06 SSO-00 NSCE-00 USIE-00
INRE-00 ACDA-07 CIAE-00 INR-07 L-03 NSAE-00 NSC-05
EB-07 NRC-05 FEAE-00 DODE-00 ERDA-05 IOE-00 /066 W
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O P 191620Z AUG 76
FM USMISSION IAEA VIENNA
TO SECSTATE WASHDC IMMEDIATE 7974
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DEPT. DECLASSIFICATION REVIEW
 Retain Class'n Change to _____
 Declassify in part and excise as shown
EO 12958, 25X() () () _____
 Declassify After Release
 With conference _____ (not) (obtained)
RPS by [Signature] Date 3/24/04

C O N F I D E N T I A L SECTION 1 OF 2 IAEA VIENNA 6915

DEPT PASS IO/SCT
TOKYO FOR SCI COUNS AND ERDA REP

EO 11652: GDS
TAGS: MNUC, TECH, IAEA, TW
SUBJ: FUEL REPROCESSING PILOT PLANT IN TAIWAN

REF: KRATZER/LABOWITZ TELCON AUGUST 18

1. MISOFF DISCUSSED WITH ROMETSCH HIS TELCON WITH WASHINGTON POST REPORTER SCHUMACHER EARLIER THIS WEEK. FOLLOWING ARE ROMETSCH'S RECOLLECTION OF POINTS RAISED (NOT NECESSARILY IN ACTUAL ORDER) AND HIS RESPONSES:

A. ROMETSCH DID NOT SAY THAT REPROCESSING ALREADY UNDER WAY. HE DID SAY, IN RESPONSE TO QUESTION RE STATUS, THAT, ACCORDING TO INFO MADE PUBLIC BY ROC, COLD TESTING OF PILOT PLANT HAD STARTED.

B. IN RESPONSE TO QUESTION RE UNIQUENESS OF SUBJECT PILOT FACILITY, ROMETSCH NOTED THAT IN VARIOUS PLACES
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Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.
 Release () Excise () Deny () Declassify
Date 4/15/04 Exemption _____

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AROUND WORLD, FUEL REPROCESSING LABORATORY OR PILOT ACTIVITIES WERE UNDERWAY. WHEN ASKED RE CAPACITY SUCH ACTIVITIES ROMETSCH SAID THEY VARIED. WHEN ASKED TO CONFIRM THAT SUBJECT PILOT PLANT HAD CAPACITY OF FOUR KILOS URANIUM PER WEEK, ROMETSCH SAID HE COULD NOT, UNDER AGENCY REGULATIONS, PROVIDE QUANTITATIVE DATA ON ANY FACILITY. HE REFERRED SCHUMACHER TO IAEA DIRECTORY OF NUCLEAR REACTORS FOR DESCRIPTION OF CANADIAN NRX FUEL ELEMENTS EACH CONTAINING 54.5 KG, WHICH AT INDICATED BURNUP, WOULD EACH CONTAIN 30 TO 50 GRAMS PU. THUS, IN ORDER TO SEPARATE SAY ONE KG PU FROM SUCH FUEL TWENTY TO THIRTY ELEMENTS, TOTALING 1000 TO 1500 KGS U WOULD HAVE TO BE PROCESSED. IF THAT WERE TO BE ACCOMPLISHED IN SAY ONE YEAR, A CAPACITY OF 20 TO 30 KG U PER WEEK WOULD BE REQUIRED, I FACILITY OPERATED CONTINUOUSLY. (ROMETSCH SAID THAT SUCH DISCUSSION OF HYPOTHETICAL CAPACITY REQUIREMENTS WAS INTENDED TO PUT SUBJECT FACILITY IN PROPER PERSPECTIVE.) IN COURSE THIS DISCUSSION SCHUMACHER ASKED, IF FOREGOING CORRECT, HOW DID INDIA SEPARATE ENOUGH PU IN ITS REPROCESSING FACILITY FOR EXPLOSIVE DEVICE? ROMETSCH SUGGEST TO SCHUMACHER THAT LATTER WAS NOT WELL INFORMED RE INDIAN PLANT, THAT IT WAS FAR FROM PILOT PLANT IN TERMS OF CHARACTER AND CAPACITY.

C. SCHUMACHER ASKED IF DIFFERENT PLANTS OR PROCESSES WERE NECESSARY FOR REPROCESSING OF MTR FUEL AND OF NRX FUEL, OR COULD PLANT DESIGNED SPECIFICALLY FOR MTR (LESS THAN 20 PERCENT U-235) FUEL PROCESS NATURAL U FUEL AS WELL. ROMETSCH SAID THAT LATTER WAS CASE, IF APPROPRIATE ADJUSTMENTS MADE IN PROCESS, SUCH AS IN EXTRACTION CYCLE. PILOT PLANTS, BY DEFINITION, SHOULD PROVIDE PARTICULAR FLEXIBILITY TO MAKE SUCH CHANGES IN PROCESS.

D. SCHUMACHER REFERRED TO IAEA 1975 ANNUAL REPORT WHICH INCLUDES INER PILOT FUEL REPROCESSING PILOT PLANT IN TABLE OF INSTALLATIONS "UNDER AGENCY SAFEGUARDS OR CONTAINING SAFEGUARDED MATERIAL, ETC." (ANNEX F). HE ASKED WHETHER THAT MEANT THAT FUEL
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FROM NRX-TYPE RESEARCH REACTOR ON TAIWAN HAD BEEN

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TRANSFERRED TO SUBJECT PILOT PLANT. ROMETSCH REFERRED TO ROC-IAEA AGREEMENT (INFCIRC/133) FOR APPLICATION OF SAFEGUARDS TO NRX-TYPE REACTOR UNDER WHICH (SECTION 15) ROC MUST INFORM AGENCY F INTENTION TO TRANSFER ANY FUEL FROM REACTOR TO ANOTHER FACILITY AND PROVIDE TO AGENCY INFO TO ENABLE DETERMINATION THAT MATERIAL CAN BE SAFEGUARDED IN SUCH FACILITY. THAT PROVISION FOLLOWED FROM GENERAL REQUIREMENT OF AGENCY'S SYSTEM THAT SAFEGUARDS FOLLOW MATERIAL ONCE IT COMES UNDER SAFEGUARDS. SCHUMACHER DID NOT ASK WHETHER NOR DID ROMETSCH SAY THAT ROC IS FREE TO PROCEED WITH SUCH REPROCESSING. SCHUMACHER DID NOT PRESS FOR EXPLANATION OF LISTING OF PILOT PLANT IN ANNUAL REPORT (WHICH WAS JUST AS WELL, AS NOTED BELOW).

E. SCHUMACHER ASKED ROMETSCH'S OPINION AS TO MOTIVATION OF ROC TO BUILD SUBJECT PILOT PLANT AND ROMETSCH REPLIED THAT IT WAS CLEAR THAT IT WAS RELATED TO ROC INTEREST IN REPROCESSING OF FUEL FROM NRX-TYPE REACOR. (ROMETSCH BELIEVES THAT SCHUMACHER MIGHT WELL INFER FROM THIS THAT ROMETSCH BELIEVED ROC INTENDED TO UNDERTAKE SUCH REPROCESSING IN PILOT PLANT ITSELF.)

F. SCHUMACHER ASKED WHETHER AGENCY IS READY TO APPLY SAFEGUARDS IN PLANTS SUCH AS SUBJECT PILOT PLANT. ROMETSCH REPLIED, "YES, OF COURSE; THAT WAS AGENCY'S JOB." SCHUMACHER ASKED WHETHER ROMETSCH, AS EXPERIENCED OPERATOR OF REPROCESSING PLANT, BELIEVED SUCH PLANTS WERE REALLY SAFEGUARDABLE. ROMETSCH REPLIED THAT THEY WERE, ALTHOUGH IT WAS NOT RPT NOT AN EASY TASK.

G. ROMETSCH OFFERED TO SEND SCHUMACHER COPIES OF INFCIRC/66/REV.2, INFCIRC/133 AND INFCIRC/159 (U.S./ROC/IAEA TRILATERAL). SCHUMACHER WELCOMED OFFER.

2. ACCORDING TO ROMETSCH, ACTUAL SITUATION RE SECTION 15 OF INFCIRC/133 IS AS FOLLOWS:
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A. SOME YEARS AGO, AGENCY AND ROC AGREED ON FACILITY ATTACHMENT COVERING INER INSTALLATION AS SINGLE R AND D FACILITY, AS DEFINED IN INFCIRC/66/REV.2 (FACILITY, OTHER THAN "PRINCIPAL NUCLEAR FACILITY")

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AND FOR R AND D IN FIELD OF NUCLEAR ENERGY). INER FACILITY ATTACHMENT, IN ACCORD PARAS 59 THROUGH 68 OF INCIRC/66/REV.2 PROVIDES FOR ONLY ONE INSPECTION AND ONE ROUTINE REPORT PER YEAR.

B. SEVERAL MONTHS AGO (PROBABLY ON OCCASION OF ROMETSCH VISIT TO TAIWAN) AGENCY INFORMED ROC OF ITS WISH TO REMOVE FUEL FABRICATION PLANT AND FUEL REPROCESSING PILOT PLANT FROM EXISTING INER FACILITY ATTACHMENT AND TO DEVELOP NEW FACILITY ATTACHMENT FOR EACH THOSE PLANTS, ON BASIS, MOREOVER, THAT EACH WAS "PRINCIPAL NUCLEAR FACILITY" AS DEFINED IN INFCIRC/66/REV.2 (WHICH INCLUDES INTER ALIA, "PLANT FOR PROCESSING NUCLEAR MATERIAL INDICATED IN A REACTOR" AND "PLANT FOR PROCESSING OR FABRICATING NUCLEAR MATERIAL"). ROC HAS AGREED IN LETTER TO AGENCY

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TO DESIGNATION OF BOTH PLANTS AS PRINCIPAL NUCLEAR FACILITIES AND HAS FORMALLY PROVIDED DESIGN INFO TO AGENCY FOR EACH PLANT. (SUBMISSION OF DESIGN INFO IS NOT RPT NOT REQUIRED BY INFCIRC/66/REV.2 FOR R AND D FACILITY.) AGENCY HAS PROPOSED DRAFT FACILITY ATTACHMENTS TO ROC, WHO HAS RESPONDED RECENTLY WITH INQUIRY RE FREQUENCY OF ROUTINE REPORTS

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(ROC PROPOSED QUARTERLY VERSUS MONTHLY REPORTS) AND AGENCY HAS RESPONDED, REFERRING TO SPECIFIC REQUIREMENT IN INFCIRC/66/REV.2 FOR MONTHLY ROUTINE REPORTS. ROMETSCH EXPECTS THAT ROC WILL REPLY SOON, AGREEING WITH AGENCY DRAFTS.

C. AS FORMAL MATTER, ROC COULD TAKE POSITION, THAT EXISTING INER FACILITY ATTACHMENT (ORIGINALLY DEVELOPED PURSUANT TO INFCIRC/158, THE U.S./ROC/IAEA TRILATERAL), SINCE IT INCLUDES REPROCESSING PILOT PLANT, REPRESENTS THE CONCLUSION OF NECESSARY ARRANGEMENTS REQUIRED UNDER SECTION 15 OF INFCIRC/133, (THE UNILATERAL SUBMISSION OF NRX-TYPE REACTOR) AS PREREQUISITE TO TRANSFER OF IRRADIATED FUEL FROM THAT REACTOR TO PILOT PLANT.
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D. AGENCY IS ALREADY CARRYING OUT INSPECTIONS, WITH CONCURRENCE OF ROC, IN FUEL FABRICATION PLANT, HOWEVER, IN ACCORDANCE NEW DRAFT FACILITY ATTACHMENT; I.E., ON BASIS THAT IT IS A "PRINCIPAL NUCLEAR FACILITY." SUCH ACQUIESCENCE BY ROC, ALONG WITH WRITTEN ACCEPTANCE OF DESIGNATION OF BOTH FABRICATION PLANT AND REPROCESSING PILOT PLANT WOULD AT LEAST PROVIDE BASIS FOR ARGUMENT AGAINST POSSIBLE ROC POSITION DESCRIBED ABOVE RE EFFECT OF EXISTING INER FACILITY ATTACHMENT.

3. ROMETSCH UNAWARE OF ANY RIGHT BY CANADA TO AGREE TO OR APPROVE TRANSFER OF FUEL FROM NRX-TYPE REACTOR TO SUBJECT PILOT PLANT. CANADA HAS NEVER INQUIRED OF ROMETSCH OR STAFF, AS FAR AS HE KNOWS, RE ROC PLANS FOR REPROCESSING SUCH FUEL OR WHETHER ANY ARRANGEMENTS PURSUANT TO SECTION 15 OF INFCIRC/133 HAVE BEEN CONCLUDED. HE IS WELL AWARE, ON OTHER HAND, THAT U.S./ROC BILATERAL CONTAINS EXPLICIT PROVISION FOR U.S. ACCEPTANCE OF ANY FACILITY FOR REPROCESSING OF FUEL OF U.S.-ORIGIN ON BASIS OF JOINT DETERMINATION THAT SAFEGUARDS CAN BE EFFECTIVELY APPLIED.

4. ROMETSCH ADMITS THAT LISTING OF "INER PILOT FUEL REPROCESSING PLANT" IN TABLE C OF ANNEX F OF IAEA 1975 ANNUAL REPORT, GC(XIX)/554, WAS MISLEADING. ITS INCLUSION WAS BASED UPON EXISTING OVERALL INER FACILITY ATTACHMENT. HE RECOGNIZES THAT, BY SAME

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TOKEY, FUEL FABRICATION PLANT SHOULD HAVE BEEN
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