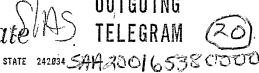
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FAGE Ø1

STATE 242834

ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY OCS/NET/EIC: D H COOPER APPROVED BY OES/NET L V NOSENZO EA/ROC: W LUND; DOE/IA: G HELFRICH (SUBS) ACDA: J MENZEL (SUBS) OES/NET/EST: D LEWIS (SUBS) L/N: R SLOAN EUR/GAN: W GARLAND S/S: RCASTRODALE

P 23ØØ34Z SEP 78 FM SECSTATE WASHDC TO AMEMBASSY OTTAWA PRIORITY INFO AMEMBASSY TAIPEI PRIORITY

S E C R E T STATE 242034

EXDIS

E.O. 11652: XGDS-1

TAGS: TECH, ENRG, PARM, CA

SUBJECT: CONVERSION OF TAIWAN RESEARCH REACTOR TO USE OF LOW ENRICHED URANIUM AND DISPOSITION OF NATURAL URANIUM ' SPENT FUEL

REF: OTAWA Ø2988

- 1. DEPARTMENT REPRESENTATIVES (L. V. NOSENZO AND D. H. COOPER) MET WITH MR. GARFIELD PARDY OF CANADIAN EMBASSY, WASHINGTON, ON SEPTEMBER 15 FOR PURPOSE OF ADVISING GOC THAT U.S. HAD DECIDED TO ACCEPT THE DIRECT SHIPMENT OF SPENT NATURAL URANIUM TRR FUEL TO THE U.S. FOR REPROCESSING WITHOUT REQUIRING PRIOR STORAGE IN CANADA. DEPARTMENT REPS ALSO REQUESTED PARDY TO SEEK GOC CONCURRENCE IN OUR PLAN TO ADVISE THE ROC THAT IT NOW APPEARED THAT WE WOULD BE ABLE TO MAKE ARRANGEMENTS (I.E., WITH CANADA) TO COVER THE COSTS OF TRANSPORTING SPENT TRR FUEL FOR TAIWAN TO THE U.S. FOR REPROCESSING.
- 2. DURING COURSE OF DISCUSSION ON ABOVE MATTERS DEPUTY ASSISTANT SECRETARY NOSENZO MADE THE FOLLOWING POINTS: THE U.S. VERY MUCH APPRECIATED THE WILLINGNESS OF THE GOC TO CONTINUE TO PROVIDE U.S. WITH CON-SULTING SERVICES ON CONVERTING THE TRR TO USE OF LEU FUEL AND THE GOC OFFER TO PROVIDE FUEL FABRICATION AND OTHER SERVICES RELATED TO THIS CONVERSION EFFORT.
- WITH REGARD TO THE REMOVAL FROM TAIWAN OF SPENT NATURAL URANIUM TRR FUEL, WHICH THE GOC HAD PREVIOUSLY AGREED TO STORE IN CANADA, THE U.S. HAD DETERMINED THAT IT WAS PREPARED TO WORK OUT ARRANGEMENTS FOR ACCEPTING SUCH FUEL FOR TEMPORARY STORAGE AND REPROCESSING IN THE U.S. WITHOUT REQUIRING ITS PRIOR STORAGE IN CANADA.
- THIS DECISION WAS FACILITATED TO A CONSIDERABLE DEGREE BY THE GOC'S COOPERATIVE POSITION ON THIS AND OTHER MATTERS RELATED TO REDUCING THE PROLIFERATION RISK ON TAIWAN.
- WE PLANNED DISPATCH ANOTHER TECHNICAL TEAM TO TAIWAN DURING WEEK OF SEPTEMBER 17 FOR DETAILED DISCUSSIONS ON CONVERTING THE TRR TO LEU FUEL AND WE WOULD LIKE TO ADVISE THE ROC AT THAT TIME THAT IT APPEARED WE WOULD BE ABLE TO MAKE ARRANGEMENTS TO COVER THE COST OF TRANSPORTING THE SPENT FUEL

DIRECTLY TO THE U.S. FOR REPROCESSING.

- THE ROG WOULD BE EXPECTED TO PREPARE AND PACKAGE THE SPENT FUEL FOR SHIPMENT, INCLUDING FUEL CANNING AS MAY BE REQUIRED TO HEET U.S. SPECIFICATIONS.
- THE U.S., AS PREVIOUSLY AGREED, WILL ASSIST THE ROC IN MAKING TRANSPORTATION ARRANGEMENTS.
- WE WOULD APPRECIATE RECEIVING GOC CONCURRENCE TO OUR PROCEEDING WITH ORAL DISCUSSIONS WITH THE ROC ON THE BASIS OUTLINED.
- FOLLOWING ROC VISIT, WE WILL BE IN FURTHER COM-MUNICATION WITH THE GOC TO DISCUSS THE DETAILS OF IMPLEMENTING OUR ARRANGEMENTS IN THIS AREA.
- 3. ON SEPTEMBER 16, MR. JOHN NOBLE OF EXTAFF ADVISED NOSENZO BY TELEPHONE THAT HE COULD FORESEE NO PROBLEM IN OBTAINING FORMAL GOC APPROVAL TO COVER THE COSTS OF TRANSPORTING SPENT FUEL TO THE U.S. FOR REPROCESSING AND THAT THEREFORE, HE CONCURRED WITH OUR PLAN TO ADVISE THE ROC THAT IT APPEARED WE WOULD BE ABLE TO MAKE ARRANGEMENTS TO COVER SUCH COSTS. IN SUBSEQUENT TELEPHONE CONVERSATION WITH COOPER ON SAME DATE, MR. NOBLE CONFIRMED THE FORE-GOING CONCURRENCE WITH THE SPECIFIC UNDERSTANDING THAT SHIPPING CASK RENTAL CHARGES WOULD BE INCLUDED AS PART OF THE TRANSPORTATION COSTS WHICH THE GOC WOULD COVER, SUB-JECT TO FORMAL MINISTERIAL-LEVEL APPROVAL. CHRISTOPHER

DEPARTMENT OF ENERGY DECLASSIFICATION REVIEW DETERMINATION [CIRCLE NUMBER(S)]
1. CLASSIFICATION RETAINED
2. CLASSIFICATION RETAINED
3. CLASSIFICATION CHANGED TO:
4. COORDINATE WITH:
5. CLASSIFICATION CANCELLED
6. CLASSIFIED INFO BRACKETED
7. CONSTRUCTION CANCELLED
7. CLASSIFIED INFO BRACKETED IST REVIEW-DATE: **5/1/**03 Theresa sive 2ND REVIEW-DATE 5/7/03

