CONFIDENTIAL
Department of State

ACTION AIT-02

INFO OCT-01 EA-10 ADS-04 HRC-02 SAA-02 COM-02 AID-O7
CEA-01 CIA-00 DOE-00 EB-00 DOE-17 H-01 HFR-10
INT-05 L-03 NSA-09 NSC-05 NMB-01 PM-05 CIA-11
OES-09 SP-02 SS-15 STR-09 TSC-00 AID-12 /149 Y

R 160556Z JUN 88
FR AIT TAIPEI
TO AIT WASHDC

CONFIDENTIAL TAIPEI 83928

E.O. 12065:
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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 REMAINED FROM COMMENT UNTIL ASSURANCE ISSUE CONCLUDED.

3. HEAVY WATER FOR INER: ON JUNE 5, DR. CH'IEH OF INER DISCUSSED THE HEAVY WATER ISSUE WITH DIRECTOR CROSS AND AIRLZ. LONG. JUSTIFICATION FOR THE FOUR TONS OF HEAVY WATER HAS 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 NOV. IF NOT, WE WILL FORWARD COPY WHICH WE OBTAINED FROM DR. CH'IEH ON JUNE 5. RECALL DISCUSSION BETWEEN NUCLEAR TEAM MEMBERS AND DR. CH'IEH REGARDING AMOUNT OF HEAVY WATER NECESSARY FOR TRR BACK UP. IF AMOUNT OF HEAVY WATER IS STILL A PROBLEM, THEN PERHAPS A SMALLER QUANTITY WOULD 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. HALDENG FUEL (USNM-15429): OF THE SEVERAL FUEL LICENSES STILL PENDING, WE VIEW THIS REQUEST AS ONE OF MOST IMPORTANT IN TERMS OF INFLUENCING INER RESEARCH EFFORTS. HALDENG 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 HALDENG FUEL ANALYSIS AND EXAMINATION IS AN IMPORTANT STEP IN THIS DIRECTION.

5. PARTS AND COMPONENTS FOR PRIMARY COOLANT PUMPS (XCD010195): 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'IEH BROUGHT UP POSSIBILITY OF DOING THORIUM FUEL STUDIES AT NER. APPARENTLY THE HOT LAB HAS THE FACILITIES FOR SUCH RESEARCH BUT INER, AT REQUEST OF