9411649 United States Department of State

## FAXED TO SECRETARY

Assistant Secretary of State for Political-Military Affairs

Washington, D.C. 20520

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**DECAPTIONEI** 

Donilon

EAP-EO Lord Mr. Secretary: INR-EO Gati

PM-EO Gallucci We have received news from the IAEA on the discharge of reactor rods from the North's nuclear reactor at Yongbyon: Steinberg s/s

The DPRK has discharged about 900 out of 8,000 rods in its reactor and is proceeding at a maximum rate of approximately 80 rods per day.

PM(ORIG)(EO) The North has not yet disturbed any of the rods the S/S IAEA wishes to measure. If the current discharge pattern continues, we would have several weeks before these essential channels would be discharged.

- While some of the IAEA's surveillance equipment is not operating, the IAEA believes it has maintained continuity of knowledge on the discharged fuel based upon the equipment that is operating and the availability of the discharged fuel for inspection.
- So far, the IAEA has found no technical reason supporting the DPRK's assertion that rods must be discharged for safety reasons. (Some rods are damaged, but do not need to be removed now.)

For the time being, the IAEA will avoid any public It is sending a telex to North Korea proposing immediate talks to preserve the possibility of future measurement (e.g., segregation/storage of fuel as it is discharged, or agreement not to discharge certain channels selected by the IAEA until arrangements have been reached.) The IAEA is also preparing a letter on the current status of its inspection, to send to the UNSC by the end of the week.

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APPEAL ACTION: ADDITIONAL INFORMATION RELEASED REVIEW AUTHORITY: APPEALS REVIEW PANEL JNITED STATES DEPARTMENT OF STATE

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An additional issue for Friday's Principals meeting is the prospective Nunn-Lugar DPRK trip. Both he and Senator Lugar have agreed to go. Such a trip would be helpful, particularly if it could happen before the third round, even if it requires a short delay in holding that round. The Senators could tell the DPRK leadership that we are serious about negotiations, and they might gather useful information on the North's negotiating approach. Such a trip would also broaden support for our policy. If it proves impossible to schedule now, a visit after the third round would still be useful.

Finally, the Principal's meeting will review our plans for the third round. My view is that we should seek a joint communique which lays out our overall goals and specifies some concrete steps both sides would take in the near future. Those steps would include the DPRK's return to the NPT and implementation of its treaty commitments, including ad hoc and routine inspections and other measures, (e.g., special inspections) to resolve concerns about past plutonium production. We would move quickly to establish liaison offices, to reach an agreement on nuclear assurances and to begin lifting U.S. trade restrictions. As necessary, we would meet again in New York or Geneva to work out implementation.

Bob Gallucci

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