

Authority NND 76120

CONFIDENTIAL
Classification

CONFIDENTIAL

Handwritten signature



Department of State TELEGRAM

Document Classified by: Original signed by Frank J. Arsenault

INDICATE:
 COLLECT
 CHARGE TO

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions.

Please return to file

SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF EXECUTIVE ORDER 11652 AUTOMATICALLY DOWNGRADED AT TWO YEAR INTERVALS AND DECLASSIFIED ON DEC. 31 1980 (insert year)

rec'd 9/16/74

ACTION: U.S. Mission IAEA, Vienna
TAGS: IAEA, TECH
Subject: INFORMATION ON IAEA SAFEGUARDS ACTIVITIES
E.O. 11652: N/A
REF: (A) IAEA Vienna A-334, dtd. 7/12/74
(B) IAEA Vienna 6376, dtd. 7/17/74
(C) Ltr. drafted by A Labowitz to DG, same subject, dtd. 7/19/74

DRAFT
NEVER SENT (TREATY W/ K FELT IT WAS TOO LOANED)

AE 13-5FOSS

1. There is growing public and political pressure to obtain: (a) assurances for key elements of U.S. Government and public that IAEA safeguards are implemented in a way which justifies our reliance on IAEA trilateral safeguards agreements (aimed at deterring the misuse of U.S.-supplied nuclear assistance abroad) to fulfill a U.S. security responsibility; and (b) assurances for the world community that IAEA safeguards under NPT agreements are adequate to justify reliance on the NPT and the IAEA.

2. The Indian nuclear explosion and the offer of nuclear reactors to Egypt and Israel have focussed concern in both of these areas. We recognize, of course, that the burden created by these events for coming up with security assurances cannot be borne by the Agency

DRAFTED BY: USAEC:SS:JFMahy/plg	DRAFTING DATE 9/12/74	TEL. EXT. 5216	APPROVED BY:
------------------------------------	--------------------------	-------------------	--------------

CLEARANCES:
USAEC:IP:D:ASFriedman
USAEC:SS:Act.Dir.:RETharp

CONFIDENTIAL
CONFIDENTIAL
Classification

alone. Nevertheless, without some program to demonstrate a basis for credibility, there is a likelihood that the political, financial, and technical support for IAEA safeguards by other governments and key elements of the U.S. Government and public will be lost.

3. Nature of U.S. Congressional and public concern is such that credibility of Agency safeguards could likely become target of nuclear power critics. Recent expressions of interest focussed on this area include: (a) GAO query to AEC about observing U.S. bilateral and IAEA safeguards inspections; and (b) NBC query to IAEA about covering IAEA safeguards for documentary TV film.

4. Problem arises, in part, due to previous lack of public interest and to low-profile approach taken by Agency regarding its safeguards activities. Although some very helpful unofficial discussions have been held with Agency staff in specific cases, the Agency has generally resisted proddings to be more open in this area on basis that it would be inconsistent with provisions in IAEA documents (e.g., Article III.F. of the Statute, Sections 13 and 14 of INFCIRC/66/Rev. 2, and Section 5 of INFCIRC/153). These provisions were overtly designed to protect proprietary interests of the countries being safeguarded. A more vague, but strongly felt, concern to protect sovereignty and international prestige from possible assault also factored into drawing up these provisions. Some reticence on Agency's part may also be due to legitimate concern about vulnerability to charges of ineffectiveness since "effectiveness" or "adequacy" of safeguards is not a clearly-defined concept. However, it appears possible that there could be a significant area of information arising out of the Agency's

safeguards application which would not be proprietary, the proper dissemination of which could be advantageous to the Agency, the inspected country, and other concerned countries. The distinction arises from the words in both Agency safeguards documents (INFCIRC/153 and INFCIRC/66/Rev. 2) prohibiting the Agency from divulging any information "obtained by it" in connection with the implementation of safeguards (other than limited, specified exemptions). This would appear to leave open the possibility of releasing the whole area of information dealing with specifically what the Agency does in a given situation, the techniques they employ, and the conclusions they draw. We find no basis in Agency documents to argue that Agency is precluded from divulging information of this nature.

5. In both the NPT and the trilateral safeguards situations, three levels of official information and audience can be identified: (a) information published and generally available to the public, such as the "Blue Book," Annual Report, etc.; (b) information made available in response to specific requests by concerned parties, such as the supplier party to a trilateral safeguards agreement receiving a list of IAEA safeguarded materials and facilities in the recipient party country (e.g., Ref. (A)); and (c) information submitted to the IAEA Board of Governors, dealing with specific and possibly confidential safeguards issues. In addition, it is recognized that unofficial information is sometimes transferred where a relationship of trust exists between pertinent Agency staff and an individual representing a concerned country.

CONFIDENTIAL

Classification

6. Limited information, such as that transmitted with Ref. (A), is of some small value in providing the desired assurances, although, as noted in Reftel (B), communication of such information to the U.S. is called for in only some of the trilateral safeguards agreements and in none of the NPT Agreements which have superseded trilaterals. We note that the language in those trilaterals which provide for sending copies of safeguarded inventories to both parties is not always identical (e.g., see Sections 10 and 21 of the U.S./Swiss Trilateral, and Section 19 and Annex of the U.S./Israel Trilateral). We also note that Section 9 of INFCIRC/84, and para. 14.(b) of INFCIRC/66/Rev. 2, specifically identify the communication of information about items being safeguarded by the Agency as requiring special attention. Thus, one could argue that absence in a specific agreement of a provision to communicate such information implies a deliberate choice that such information should not be communicated.

7. Additional information contributing to a sense of assurance could include detailed data on what is actually done by the Agency at specific facilities, and perhaps the conclusions regarding MUF and limits of uncertainty based on the Agency's independent measurements. We should urge Agency to consider what parameters it might develop and employ to demonstrate at the various levels noted in para. 5. above, that it is doing a responsible job.

8. Parameters presently used by the Agency in public documents, such as the Annual Report, and giving a general idea of level of safeguards effort, are:

CONFIDENTIAL

6. Limited information, such as that transmitted with Ref. (A), is of some small value in providing the desired assurances, although, as noted in Reftel (B), communication of such information to the U.S. is called for in only some of the trilateral safeguards agreements and in none of the NPT Agreements which have superseded trilaterals. We note that the language in those trilaterals which provide for sending copies of safeguarded inventories to both parties is not always identical (e.g., see Sections 10 and 21 of the U.S./Swiss Trilateral, and Section 19 and Annex of the U.S./Israel Trilateral). We also note that Section 9 of INFCIRC/84, and para. 14.(b) of INFCIRC/66/Rev. 2, specifically identify the communication of information about items being safeguarded by the Agency as requiring special attention. Thus, one could argue that absence in a specific agreement of a provision to communicate such information implies a deliberate choice that such information should not be communicated.

7. Additional information contributing to a sense of assurance could include detailed data on what is actually done by the Agency at specific facilities, and perhaps the conclusions regarding MRU and limits of uncertainty based on the Agency's independent measurements. We should urge Agency to consider what parameters it might develop and employ to demonstrate at the various levels noted in para. 5. above, that it is doing a responsible job.

8. Parameters presently used by the Agency in public documents, such as the Annual Report, and giving a general idea of level of safeguards effort, are:

CONFIDENTIAL

Classification

- A. Number and type of safeguards agreements in effect; ┌
- B. Number and type of facilities being safeguarded;
- C. Quantity and type of nuclear material being safeguarded;
- D. Number of inspections conducted;
- E. Number of countries being visited by inspectors;
- F. Total MW(e) of nuclear power stations being inspected;
- G. Number of inspectors;
- H. Total Safeguards Department staff; and
- I. Safeguards budget.

9. Additional parameters which would be more specifically aimed at demonstrating effectiveness in given cases (e.g., a specific facility) might include:

- A. Quantified statement of inspection access allowed by formula in applicable safeguards document (e.g., in terms of frequency of inspections or man days per year) compared with access actually used;
- B. Extent to which surveillance techniques available to Agency (e.g., seals, cameras) were actually used, possibly in terms of comparison with similar, actual, or hypothetical standard case where optimum use of such techniques was made;
- C. Extent to which non-destructive measurement techniques available to Agency were actually used (e.g., sample size vs. population size); and
- D. Same as C. above dealing with samples taken for destructive laboratory analysis.

CONFIDENTIAL

Classification

We recognize that such parameters do not prove effectiveness and, if not presented correctly, could be misused or misunderstood. However, they could be useful indicators of safeguards effort level in given facilities. Additionally, information indicating where Agency activities have been constrained by specific requirements of the government or facility operator (such as Indian refusal to allow use of seals at Tarapur Reactor or refusal to allow electronically recorded safeguards data to be returned to Vienna for analysis and records storage), would be useful. Also, quantitative conclusions should be considered, such as the MUF and limits of uncertainty of IAEA's independent verification efforts. Hopefully, the Agency could come up with an even more balanced and responsive set of parameters than those suggested above.

10. In specific and immediate case of Indian Trilateral, we wonder if argument could be made that, since material and facilities under the trilateral were supplied by the U.S. (or produced as result of use thereof), information as to quantity and location of such material does, in fact, relate to the U.S. and, therefore, U.S. has right to that information pursuant to Article 17. Second argument might be made on basis, suggested para. 4. above, of differentiating between: (a) information of a clearly proprietary nature dealing with process technology, operating techniques, etc., as being the "information obtained by it (the Agency) under this Agreement"; and (b) information which would not have such a proprietary character and could be considered to not be information "obtained by it" in that it is, rather, simply nuclear material accountability data generated as a

CONFIDENTIAL

Classification

logical consequence of, or describing Agency's efforts in implementing the safeguards agreement and which deals only with assurance of the quantity and location of nuclear material being safeguarded.

11. We share Mission's concern para. 4., Reftel (B), that request to India for such information under provisions of Trilateral, Section 17, would be premature at this time.

12. At the same time, and to meet longer range concerns which are more pertinent to safeguards under NPT, we feel further effort should be made to explore the idea of a safeguards technical committee which could provide governments with objective outside assurances of the continued effectiveness of Agency safeguards.

13. In light of above discussion, and fact that scope of problem being addressed here is broader than that addressed in Ref. (C) (i.e., open demonstration of credibility of full-range of IAEA safeguards responsibilities, as opposed to just giving evidence to U.S. that material under U.S. Trilaterals is adequately covered), we suggest following approach: (a) if Mission feels, e.g., in view of Agency's sensitivity to subject, that best tactic would be to lead into entire problem on stepwise basis, Mission is authorized to send DG letter along lines of July 19 draft (Reftel (C)), with idea of expanding into broader area later on; (b) if Mission feels significantly different step-wise approach, or head-on approach to the full issue is desirable at this time, please advise. In any case, the urgency of the subject, and the need for the Agency to deal in a forthright way with the concerns being expressed should be kept in mind.

CONFIDENTIAL

Classification

Authority NND 76120

CONFIDENTIAL

U.S. Mission IAEA Vienna

CONFIDENTIAL

8

Subject: INFORMATION ON IAEA SAFEGUARDS ACTIVITIES

This page intended for bcc: listing and concurrences only -

bcc: GFTape, U.S. Rep. to IAEA, c/o Dept. of St., Wash., DC
 EBGiller, AGMNS
 JG Poor, ISA
 ASFriedman, IP
 RETharp, SS, rdg. file
 VHudgins, ISA
 LMBrenner, SS
 RNSlawson, IP
 PBrush, OGC
 AD/PI file, SS, IAEA gen.

CONFIDENTIAL

CONFIDENTIAL

OFFICE ▶	SS	SS	SS	IP:D	SS:Act.Dir.
SURNAME ▶	JFMahy/pis	<i>[Signature]</i> FArsenault	LMBrenner	ASFriedman	RETharp
DATE ▶	9/12/74	9/12/74	9/ /74	9/ /74	9/ /74