

UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D. C. 20555

JUL 1 4 1982

MEMORANDUM FOR: James R. Shea, Director

Office of International Programs

FROM:

Robert F. Burnett, Director Division of Safeguards, NMSS

SUBJECT:

SAFEGUARDS COUNTRY ANALYSIS -- REPUBLIC OF KOREA

- (U) Enclosed for transmission to the State Department is a draft "Safeguards Country Analysis" for the Republic of Korea. In accordance with established arrangements, we would appreciate State's review of the document to assure that it properly reflects the most complete and current information available to the U.S. Government as well as to assure that it is not inadvertently misleading. As has been recently agreed, no sensitive foreign intelligence information (e.g., "ORCON") was made available to staff for preparation of the document, although non-sensitive foreign intelligence information from State Department sources was employed.
- With respect to IP staff comments on an earlier draft, we believe that (U) substantive concerns have been satisfactorily addressed. Your staff had suggested enlarging discussion on the safeguards rights of other suppliers and on the US/ROK/IAEA "trilateral" safeguards agreement. Since fore are operative, it being understood that NPT safeguards are in place, staff had decided at the outset not to provide extensive treatment of these areas. In any event, IP's suggestion did not arrive in time to permit revision of the Korean analysis and submission by the deadline. We can reconsider this area while the document is being reviewed by State, especially since we are already awaiting clarifying information on several points. For convenience, reiterated below are the concerns which NMSS staff raised with your staff in May:
- (U) Establishment of State System for Accounting and Control (SSAC)

What is the current prognosis? What are the problems impeding progress? As our analysis indicates, we are concerned that this matter has not been resolved. We believe that State should be asked expressly to look into this matter.

(U) Suspension of US/ROK/IAEA Trilateral Safeguards Agreement

> While we believe that the IAEA is applying safeguards in Korea under the NPT, the "trilateral" technically has not been suspended. What are the current reasons for this situation? What are the status and relationships of undertakings -- by the ROK and the IAEA -- under the trilateral and "NPT" safeguards agreements?

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In addition to these questions raised earlier, we think that the technicality of the "trilateral" situation should be exploited to our advantage, and we request that the latest inventory of U.S-supplied items in Korea be obtained.

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(U) We hope that State will give attention to the analysis and questions as promptly as possible. With respect to analyses submitted earlier to State, staff understands that the Department will be submitting comments to your office fairly soon on the four analyses sent in 1981. We look forward to receiving them as well as any submitted in due course on the recent Pakistan document.

Robert F. Burnett, Director Division of Safeguards, NMSS

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Enclosure: Draft Korean Safeguards Country Analysis

cc w/o encl: J. G. Davis, NMSS