

Mr. Francisco Pascual M.
Director General
Junta de Energia Nuclear
Avenida Complutense 22
Madrid 3, Spain

MAR 16 1976

Dear Mr. Pascual:

This is in regard to the Hall-Otero agreement and activities under Project Indalo. We have been very pleased to learn of the recent resolution of instrumentation questions and that Mr. Phillip Dean could be of assistance.

As outlined in Dr. Emilio Iranzo's correspondence to Dr. H. D. Bruner (copies enclosed for convenience), we understand that a significant program of re-examination is planned and, relatedly, that increased resources are to be committed. We share the interest in the success of the activities planned in 1976, and the Energy Research and Development Administration (ERDA), as successor to the U.S. Atomic Energy Commission, will continue its support.

Due to certain budgetary restraints (which delayed our consideration), we must limit the financial support which ERDA can make available at this particular time. As you are no doubt aware, the fiscal year of the United States has been changed to end on September 30, instead of June 30, effective FY 1977 which commences October 1, 1976, and there will be a transition quarter, July 1-September 30, 1976. Based on our approved budget for FY 1976 (ending June 30, 1976) we are now able to provide \$27,000, and we would make such funds available through the American Embassy in Madrid in accordance with established practice. While additional funds are not available from the transition quarter budget, we have every expectation of being able to provide, at a minimum, \$20,000-\$25,000, from our FY 1977 budget, which would be available at the beginning of the 1977 fiscal year commencing October 1 and would thus result in receipt in calendar year 1976 by the Junta de Energia Nuclear of a total amount commensurate with the request. (We would like to note that our budget planning for all of FY 1977 in support of Project Indalo has been in recognition of the need to sustain an increased level of activities, as discussed by Dr. Iranzo and Dr. Bruner). As you can appreciate, we cannot at this time make a firm commitment with the respect to the 1977 funds since that budget is before Congress for approval.

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Mr. Francisco Pascual M.

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If our present funding proposal is acceptable, we are prepared to transfer the first increment of \$27,000 upon hearing from you.

Sincerely,

Signed by:
Gerard F Helfrich

action for

Nelson F. Sievering, Jr.
Assistant Administrator
International Affairs

Enclosures:
Ltrs from Dr. Iranzo
to Dr. Bruner (2)

cc: Martin Minthorn, DBER
Chet Richmond, ORNL
Phillip Dean, LLL (L-523)
H. D. Bruner, DBER ←

bcc: J. L. Liverman, AES w/encl.
N. F. Sievering, AIA, w/encl.
A. Giambusso, DAIA, *Reading file*
OC w/encl.

File: Spain

(See Previous file)

of
Retyped 3/16 - DBER (Minthorn by phone per revised draft 3/15/76
OC and Culpepper 3/12 per revised draft.

OFFICE →	OIPI:BMS	OIPI:BMA	OIPI	OIPI	DAIA →	AIA
SURNAME →	BThomas/gg	McDonough	RNSlawson	GHelfrich	AGiambusso	NFSievering
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