

COPY

March 3, 1989

Alvin D. Shifflett
Plans and Budgets
U.S. Department of Energy/Oak Ridge Operations
Post Office Box 2001
Oak Ridge, Tennessee 37831

Dear Mr. Shifflett:

Project Indalo Funding

The U. S. DOE and its predecessor agencies have provided funding to the Spanish government since the 1966 nuclear weapons accident at Palomares in southeastern Spain. There was a serious interruption of funding from DOE that started in February 1987 and has not yet been resolved. (The contract year is February through January.) This situation has caused problems with the Spanish. The Hall-Otero agreement, signed in 1966, calls for specific technical studies to be conducted by Spain.

A key meeting was held at DOE in late 1988 to resolve the funding problem. The major agreements were as follows.

- The program responsibility for Indalo will be transferred from the Assistant Secretary for Environment, Health and Safety, to the Assistant Secretary for Defense Programs.
- The funding cycle will be based on the U.S. fiscal year, October 1 - September 30.
- Funding for this fiscal year, FY 1989, will be \$400,000 U.S. dollars. Half of this amount will come from Environment, Safety and Health and half will come from the Defense Programs.
- Dr. Iranzo needs to prepare a plan for the work that needs to be done relative to Project Indalo. After I receive the plan, I will convene a meeting of my advisors to discuss that plan. We will then transmit the information to the DOE.

It is most important that we expeditiously reestablish funding support to Spain as agreed to at the above-mentioned meeting. Please contact me if you have any questions.

Sincerely,

Chester R. Richmond
Associate Director

CRR:bwd

cc: V. B. Isham