TO: The Director

FROM: NWC - Norman A. Wulf, Acting

SUBJECT: Recent Activities Related to the Pakistani Procurement Case

We have undertaken a dialogue with the Government of Pakistan to resolve our concerns regarding clandestine nuclear-related procurement activities and enrichment levels. Pakistani Government officials will meet with U.S. officials in the United States to discuss the procurement issue. Talks with the Pakistanis will include discussion of U.S. export controls and discussion of one or two procurement cases. Our aim is to persuade the Pakistanis that they must halt all attempts to obtain U.S.-origin goods for their nuclear program through circumvention of U.S. export controls.

In an effort to get the Pakistanis below the 5% uranium enrichment level, discussions will be held by Ambassador Raphel and various Pakistani officials and by Ambassador Kennedy and Munir Khan during upcoming IAEA meetings in Vienna. An interagency group is currently reviewing a number of different possible verification options for ensuring that Pakistan is complying with pledges not to produce weapons-grade uranium.

Before Congress recessed, the House and the Senate passed non-binding resolutions in light of the Pervez case. The language of both resolutions strongly urged the President "to inform Pakistan that Pakistan's verifiable compliance with these past commitments is vital to any further United States military assistance." This action indicates the strong possibility that Congress will introduce tough, binding legislation once it returns to session.

[REVIEW AUTHORITY: Sharon Ahmad, Senior Reviewer]