IN THE SENATE OF THE UNITED STATES

JUNE 19, 2007

Received; read twice and referred to the Committee on Foreign Relations

AN ACT

To support the establishment of an international regime for
the assured supply of nuclear fuel for peaceful means
and to authorize voluntary contributions to the Inter-
national Atomic Energy Agency to support the establish-
ment of an international nuclear fuel bank.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

2   (a) Short Title.—This Act may be cited as the
3   “International Nuclear Fuel for Peace and Nonproliferation
4   Act of 2007”.

5   (b) Table of Contents.—The table of contents for
6 this Act is as follows:

7   Sec. 1. Short title and table of contents.

8 TITLE I—INTERNATIONAL REGIME FOR THE ASSURED SUPPLY
9   OF NUCLEAR FUEL FOR PEACEFUL MEANS

10   Sec. 101. Findings.
11   Sec. 102. Sense of Congress.
12   Sec. 103. Statements of policy.
13   Sec. 104. Report.

14 TITLE II—INTERNATIONAL NUCLEAR FUEL BANK

15   Sec. 201. Voluntary contributions to the International Atomic Energy Agency.

17 TITLE I—INTERNATIONAL REGIME FOR THE ASSURED SUPPLY
18   OF NUCLEAR FUEL FOR PEACEFUL MEANS

19 SEC. 101. FINDINGS.

20 Congress makes the following findings:

21   (1) Since the United States Baruch Plan of
22   1946, the United States has believed that an in-
23   crease in the number of countries that possess nu-
24   clear weapons and the means to create such weapons
25   makes the world less secure and stable by increasing
26   the chances that nuclear weapons would be used. A
27   world in which nuclear weapons are used again is
less secure for all concerned, and could well trigger a global arms race, as more countries will be tempted to arm themselves with nuclear weapons to prevent attacks by countries that possess nuclear weapons.

(2) It is therefore in the general security interest of all countries, and in the vital national security interest of the United States, that the number of countries that possess a nuclear weapons capability necessarily be kept to a minimum and ultimately reduced.

(3) Uranium enrichment and spent-fuel reprocessing facilities produce nuclear material that can either be used for peaceful purposes in electricity-generating reactors, or can be used to produce uranium and plutonium for nuclear weapons. As such, these facilities are inherently a proliferation risk, allowing their possessor to be just months away from the production of a nuclear explosive device.

(4) It is also therefore in the general security interest of all countries that the number of countries that operate uranium enrichment and spent-fuel reprocessing facilities also be kept to a minimum, consistent with the global demand for nuclear power reactor fuel.
(5) The financing and construction of additional uranium enrichment and spent-fuel reprocessing facilities in additional states around the world is indefensible on economic grounds alone, given current and future supplies of uranium and existing providers of uranium enrichment and spent-fuel reprocessing services to the world market.

(6) The desire to construct uranium enrichment and spent-fuel reprocessing facilities by additional countries, therefore, is often based upon considerations other than economic calculations. The possession of such facilities is often elevated to a matter of national pride—a demonstration to the world that the country that possesses this technology has arrived at a level of technological development comparable to that of the United States and other countries with advanced civil nuclear power programs.

(7) Furthermore, the acquisition of uranium enrichment and spent-fuel reprocessing facilities can be perceived as a demonstration of the developing world’s independence from technological domination by the more developed states. Article IV of the Treaty on the Nonproliferation of Nuclear Weapons (21 UST 483; commonly referred to as the “Nuclear Non-Proliferation Treaty” or the “NPT”) recognizes
that State Parties have an “inalienable right . . . to
develop research, production and use of nuclear en-
ergy for peaceful purposes without discrimination.”.
However, this is a qualified right conditioned by a
State Party acting in conformity with the NPT’s ob-
ligation for such countries not to acquire, possess, or
develop nuclear weapons or nuclear explosive devices.

(8) It has been long recognized that the pro-
liferation of national uranium enrichment and spent-
fuel reprocessing facilities would increase the likeli-
hood of the emergence of new nuclear weapon states.
Concerned governments, nongovernmental organiza-
tions, and individual experts have for decades recog-
nized the need to address this problem through mul-
tilateral assurances of the uninterrupted supply of
nuclear fuel, the sharing of peaceful application of
nuclear energy, an international fuel bank to provide
fuel if the fuel supply to a country is disrupted, and
even multilateral participation in international ura-
nium enrichment and spent-fuel reprocessingfacili-
ties, as a means of reducing incentives of countries
to develop and construct such facilities themselves.

(9) Until recently, such efforts have produced
little more than reports. However, the revelations of
a nuclear black-market in uranium enrichment tech-
nology and equipment, combined with the attempt
by North Korea and Iran to possess such technology
and equipment to provide the basis for nuclear
weapons programs, have rekindled this debate with
a new urgency.

(10) Iran has used the specter of a potentially
unreliable international supply of nuclear reactor
fuel as a pretext for developing its own uranium en-
richment and spent-fuel reprocessing capability,
which would enable Iran to also produce weapons-
grade uranium and plutonium for nuclear weapons.

(11) Several initiatives have been proposed over
the last year to address these concerns. The United
States has proposed the Global Nuclear Energy
Partnership (GNEP), which envisions a consortium
of countries with advanced nuclear capabilities pro-
viding nuclear fuel services—fresh fuel and recovery
of used fuel—to other countries that agree to em-
ploy nuclear energy only for power generation pur-
poses, without possessing national uranium enrich-
ment and spent-fuel reprocessing facilities.

(12) The United States also joined France, the
Russian Federation, Germany, the United Kingdom,
and the Netherlands on May 31, 2006, in proposing
a “Concept for a Multilateral Mechanism for Reli-
able Access to Nuclear Fuel” that would facilitate or
create new arrangements between suppliers and re-
cipients to provide fuel to countries with good non-
proliferation credentials in case of market failure.

(13) Any assurance of the supply of nuclear
fuel should meet the condition outlined by President
George W. Bush on February 11, 2004, that “The
world’s leading nuclear exporters should ensure that
states have reliable access at reasonable cost to fuel
for civilian reactors, so long as those states renounce
enrichment and reprocessing.”.

(14) The Russian Federation has proposed that
one of its uranium enrichment facilities be placed
under international management and oversight, as
part of a “Global Nuclear Power Infrastructure”
proposal to create international nuclear fuel cycle
centers.

(15) In conclusion, the creation of a multi-
tiered system to assure the supply of nuclear reactor
fuel at current market prices, under appropriate
safeguards and conditions, could reassure countries
that are dependent upon or will construct nuclear
power reactors that they will have an assured supply
of nuclear fuel at current market prices, so long as
such countries forgo national uranium enrichment
and spent-fuel reprocessing facilities and are com-
mitted to the nonproliferation of nuclear weapons.

SEC. 102. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the “Concept for a Multilateral Mechanism for Reliable Access to Nuclear Fuel”, proposed by the United States, France, the Russian Federation, Germany, the United Kingdom, and the Netherlands on May 31, 2006, is welcomed and should be expanded upon at the earliest possible opportunity;

(2) the proposal by the Government of the Russian Federation to bring one of its uranium enrichment facilities under international management and oversight is also a welcome development and should be encouraged by the United States;

(3) the offer by the Nuclear Threat Institute (NTI) of $50,000,000 in funds to support the creation of an international nuclear fuel bank by the International Atomic Energy Agency (IAEA) is also welcomed, and the United States and other member states of the IAEA should pledge collectively at least an additional $100,000,000 in matching funds to fulfill the NTI proposal; and

(4) the governments, organizations, and experts currently engaged in developing the initiatives de-
scribed in paragraphs (1) through (3) and other ini-
tiatives should seek to identify additional incentives
to be included in an international regime for the as-
ured supply of nuclear fuel for peaceful means at
current market prices, including participation in
non-weapons-relevant technology development and
fuel leasing to further persuade countries that par-
ticipation in such a multilateral arrangement far
outweighs the temptation and expense of developing
national uranium enrichment and plutonium reproc-
essing facilities.

SEC. 103. STATEMENTS OF POLICY.

(a) General Statement of Policy.—It is the pol-
icy of the United States to support the establishment of
an international regime for the assured supply of nuclear
fuel for peaceful means under multilateral authority, such
as the International Atomic Energy Agency.

(b) Additional Statement of Policy.—It is fur-
ther the policy of the United States to—

(1) oppose the development of a capability to
produce nuclear weapons by any non-nuclear weapon
state, within or outside of the NPT;

(2) encourage states party to the NPT to inter-
pret the right to “develop research, production and
use of nuclear energy for peaceful purposes,” as de-
scribed in Article IV of the NPT, as being a qualified right that is conditioned by the overall purpose of the NPT to prevent the spread of nuclear weapons and nuclear weapons capability, including by refraining from all nuclear cooperation with any state party that has not demonstrated that it is in full compliance with its NPT obligations, as determined by the International Atomic Energy Agency; and

(3) strengthen the Nuclear Suppliers Group guidelines concerning consultation by members regarding violations of supplier and recipient understandings by instituting the practice of a timely and coordinated response by Nuclear Suppliers Group members to all such violations, including termination of nuclear transfers to an involved recipient, that discourage individual Nuclear Suppliers Group members from continuing cooperation with such recipient until such time as a consensus regarding a coordinated response has been achieved.

SEC. 104. REPORT.

Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the activities of the United States to support
the establishment of an international regime for the assured supply of nuclear fuel for peaceful means at current market prices under multilateral authority, such as the International Atomic Energy Agency. The report shall include an assessment of the feasibility of establishing an international fuel services center within the United States.

TITLE II—INTERNATIONAL NUCLEAR FUEL BANK

SEC. 201. VOLUNTARY CONTRIBUTIONS TO THE INTERNATIONAL ATOMIC ENERGY AGENCY.

(a) Voluntary Contributions Authorized.—The President is authorized to make voluntary contributions on a grant basis to the International Atomic Energy Agency (hereinafter in this section referred to as the “IAEA”) for the purpose of supporting the establishment of an international nuclear fuel bank to maintain a reserve of low-enriched uranium for reactor fuel to provide to eligible countries in the case of a disruption in the supply of reactor fuel by normal market mechanisms.

(b) Requirements.—Voluntary contributions under subsection (a) may be provided only if the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that—
(1) the IAEA has received pledges in a total amount of not less than $100,000,000 and is in receipt of not less than $75,000,000 of such pledges for the purpose of supporting the establishment of the international nuclear fuel bank referred to in subsection (a);

(2) the international nuclear fuel bank referred to in subsection (a) will be established within the territory of a non-nuclear weapon state, and will be under the oversight of the IAEA, only if—

(A) the non-nuclear weapon state, among other things—

(i) has a full scope safeguards agreement with the IAEA and an additional protocol for safeguards in force;

(ii) has never been determined by the IAEA Board of Governors to be in non-compliance with its IAEA full scope safeguards agreement and its additional protocol for safeguards; and

(iii) has effective enforceable export controls regarding nuclear and dual-use nuclear technology and other sensitive materials comparable to those maintained by the United States; and
(B) the Secretary of State has never deter-
mined, for purposes of section 6(j) of the Ex-
port Administration Act of 1979, section 620A
of the Foreign Assistance Act of 1961, section
40 of the Arms Export Control Act, or any
other provision of law, that the government of
the non-nuclear weapon state has repeatedly
provided support for acts of international ter-
rorism;

(3) the international nuclear fuel bank referred
to in subsection (a) will provide nuclear reactor fuel
to a country only if, at the time of the request for
nuclear reactor fuel—

(A) the country is in full compliance with
its IAEA safeguards agreement and has an ad-
ditional protocol for safeguards in force;

(B) in the case of a country that at any
time prior to the request for nuclear reactor
fuel has been determined to be in noncompli-
ance with its IAEA safeguards agreement, the
IAEA Board of Governors determines that the
country has taken all necessary actions to sat-
ify any concerns of the IAEA Director General
regarding the activities that led to the prior de-
termination of noncompliance;
(C) the country agrees to use the nuclear reactor fuel in accordance with its IAEA safeguards agreement;

(D) the country has effective and enforceable export controls regarding nuclear and dual-use nuclear technology and other sensitive materials comparable to those maintained by the United States;

(E) the country does not possess uranium enrichment or spent-fuel reprocessing facilities of any scale; and

(F) the government of the country is not a state sponsor of terrorism for purposes of section 6(j) of the Export Administration Act of 1979, section 620A of the Foreign Assistance Act of 1961, section 40 of the Arms Export Control Act, or any other provision of law;

(4) the international nuclear fuel bank referred to in subsection (a) will not contain uranium enrichment or spent-fuel reprocessing facilities; and

(5) the nuclear reactor fuel referred to in paragraph (3) will be provided to a country referred to in such paragraph only at current market prices.
(c) Waiver.—The President may waive the requirement of subparagraph (F) of subsection (b)(3) if the President—

(1) determines that it is important to the national security interests of the United States to do so; and

(2) transmits to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report that contains the basis of the determination under paragraph (1).

(d) Rule of Construction.—Nothing in this section shall be construed to authorize voluntary contributions under subsection (a) to support subsidization of the price of nuclear reactor fuel whose supply would be assured by the United States, the IAEA, or any other state or international entity covered by this section.

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—To carry out section 201, there is authorized to be appropriated to the President $50,000,000 for fiscal year 2008.

(b) Availability of Appropriations.—Amounts appropriated pursuant to the authorization of appropria-
tions under subsection (a) are authorized to remain available until September 30, 2010.

Passed the House of Representatives June 18, 2007.

Attest: LORRAINE C. MILLER,

Clerk.