

110TH CONGRESS
1ST SESSION

H. R. 885

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 International Atomic Energy Agency to support the establishment 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 Nonprolifera-
4 tion Act of 2007”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

Sec. 1. Short title and table of contents.

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

Sec. 101. Findings.

Sec. 102. Sense of Congress.

Sec. 103. Statements of policy.

Sec. 104. Report.

TITLE II—INTERNATIONAL NUCLEAR FUEL BANK

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

Sec. 202. Authorization of appropriations.

7 **TITLE I—INTERNATIONAL RE-**
8 **GIME FOR THE ASSURED SUP-**
9 **PLY OF NUCLEAR FUEL FOR**
10 **PEACEFUL MEANS**

11 **SEC. 101. FINDINGS.**

12 Congress makes the following findings:

13 (1) Since the United States Baruch Plan of
14 1946, the United States has believed that an in-
15 crease in the number of countries that possess nu-
16 clear weapons and the means to create such weapons
17 makes the world less secure and stable by increasing
18 the chances that nuclear weapons would be used. A
19 world in which nuclear weapons are used again is

1 less secure for all concerned, and could well trigger
2 a global arms race, as more countries will be tempt-
3 ed to arm themselves with nuclear weapons to pre-
4 vent attacks by countries that possess nuclear weap-
5 ons.

6 (2) It is therefore in the general security inter-
7 est of all countries, and in the vital national security
8 interest of the United States, that the number of
9 countries that possess a nuclear weapons capability
10 necessarily be kept to a minimum and ultimately re-
11 duced.

12 (3) Uranium enrichment and spent-fuel reproc-
13 essing facilities produce nuclear material that can ei-
14 ther be used for peaceful purposes in electricity-gen-
15 erating reactors, or can be used to produce uranium
16 and plutonium for nuclear weapons. As such, these
17 facilities are inherently a proliferation risk, allowing
18 their possessor to be just months away from the pro-
19 duction of a nuclear explosive device.

20 (4) It is also therefore in the general security
21 interest of all countries that the number of countries
22 that operate uranium enrichment and spent-fuel re-
23 processing facilities also be kept to a minimum, con-
24 sistent with the global demand for nuclear power re-
25 actor fuel.

1 (5) The financing and construction of addi-
2 tional uranium enrichment and spent-fuel reprocess-
3 ing facilities in additional states around the world is
4 indefensible on economic grounds alone, given cur-
5 rent and future supplies of uranium and existing
6 providers of uranium enrichment and spent-fuel re-
7 processing services to the world market.

8 (6) The desire to construct uranium enrichment
9 and spent-fuel reprocessing facilities by additional
10 countries, therefore, is often based upon consider-
11 ations other than economic calculations. The posses-
12 sion of such facilities is often elevated to a matter
13 of national pride—a demonstration to the world that
14 the country that possesses this technology has ar-
15 rived at a level of technological development com-
16 parable to that of the United States and other coun-
17 tries with advanced civil nuclear power programs.

18 (7) Furthermore, the acquisition of uranium en-
19 richment and spent-fuel reprocessing facilities can be
20 perceived as a demonstration of the developing
21 world's independence from technological domination
22 by the more developed states. Article IV of the Trea-
23 ty on the Nonproliferation of Nuclear Weapons (21
24 UST 483; commonly referred to as the “Nuclear
25 Non-Proliferation Treaty” or the “NPT”) recognizes

1 that State Parties have an “inalienable right . . . to
2 develop research, production and use of nuclear en-
3 ergy for peaceful purposes without discrimination.”.
4 However, this is a qualified right conditioned by a
5 State Party acting in conformity with the NPT’s ob-
6 ligation for such countries not to acquire, possess, or
7 develop nuclear weapons or nuclear explosive devices.

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

23 (9) Until recently, such efforts have produced
24 little more than reports. However, the revelations of
25 a nuclear black-market in uranium enrichment tech-

1 nology and equipment, combined with the attempt
2 by North Korea and Iran to possess such technology
3 and equipment to provide the basis for nuclear
4 weapons programs, have rekindled this debate with
5 a new urgency.

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

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

22 (12) The United States also joined France, the
23 Russian Federation, Germany, the United Kingdom,
24 and the Netherlands on May 31, 2006, in proposing
25 a “Concept for a Multilateral Mechanism for Reli-

1 able Access to Nuclear Fuel” that would facilitate or
2 create new arrangements between suppliers and re-
3 cipients to provide fuel to countries with good non-
4 proliferation credentials in case of market failure.

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

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

18 (15) In conclusion, the creation of a multi-
19 tiered system to assure the supply of nuclear reactor
20 fuel at current market prices, under appropriate
21 safeguards and conditions, could reassure countries
22 that are dependent upon or will construct nuclear
23 power reactors that they will have an assured supply
24 of nuclear fuel at current market prices, so long as
25 such countries forgo national uranium enrichment

1 and spent-fuel reprocessing facilities and are com-
2 mitted to the nonproliferation of nuclear weapons.

3 **SEC. 102. SENSE OF CONGRESS.**

4 It is the sense of Congress that—

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

11 (2) the proposal by the Government of the Rus-
12 sian Federation to bring one of its uranium enrich-
13 ment facilities under international management and
14 oversight is also a welcome development and should
15 be encouraged by the United States;

16 (3) the offer by the Nuclear Threat Institute
17 (NTI) of \$50,000,000 in funds to support the cre-
18 ation of an international nuclear fuel bank by the
19 International Atomic Energy Agency (IAEA) is also
20 welcomed, and the United States and other member
21 states of the IAEA should pledge collectively at least
22 an additional \$100,000,000 in matching funds to
23 fulfill the NTI proposal; and

24 (4) the governments, organizations, and experts
25 currently engaged in developing the initiatives de-

1 scribed in paragraphs (1) through (3) and other ini-
2 tiatives should seek to identify additional incentives
3 to be included in an international regime for the as-
4 sured supply of nuclear fuel for peaceful means at
5 current market prices, including participation in
6 non-weapons-relevant technology development and
7 fuel leasing to further persuade countries that par-
8 ticipation in such a multilateral arrangement far
9 outweighs the temptation and expense of developing
10 national uranium enrichment and plutonium repro-
11 cessing facilities.

12 **SEC. 103. STATEMENTS OF POLICY.**

13 (a) GENERAL STATEMENT OF POLICY.—It is the pol-
14 icy of the United States to support the establishment of
15 an international regime for the assured supply of nuclear
16 fuel for peaceful means under multilateral authority, such
17 as the International Atomic Energy Agency.

18 (b) ADDITIONAL STATEMENT OF POLICY.—It is fur-
19 ther the policy of the United States to—

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

23 (2) encourage states party to the NPT to inter-
24 pret the right to “develop research, production and
25 use of nuclear energy for peaceful purposes,” as de-

1 scribed in Article IV of the NPT, as being a quali-
2 fied right that is conditioned by the overall purpose
3 of the NPT to prevent the spread of nuclear weap-
4 ons and nuclear weapons capability, including by re-
5 fraining from all nuclear cooperation with any state
6 party that has not demonstrated that it is in full
7 compliance with its NPT obligations, as determined
8 by the International Atomic Energy Agency; and

9 (3) strengthen the Nuclear Suppliers Group
10 guidelines concerning consultation by members re-
11 garding violations of supplier and recipient under-
12 standings by instituting the practice of a timely and
13 coordinated response by Nuclear Suppliers Group
14 members to all such violations, including termination
15 of nuclear transfers to an involved recipient, that
16 discourage individual Nuclear Suppliers Group mem-
17 bers from continuing cooperation with such recipient
18 until such time as a consensus regarding a coordi-
19 nated response has been achieved.

20 **SEC. 104. REPORT.**

21 Not later than 180 days after the date of the enact-
22 ment of this Act, the President shall transmit to the Com-
23 mittee on Foreign Affairs of the House of Representatives
24 and the Committee on Foreign Relations of the Senate
25 a report on the activities of the United States to support

1 the establishment of an international regime for the as-
2 sured supply of nuclear fuel for peaceful means at current
3 market prices under multilateral authority, such as the
4 International Atomic Energy Agency. The report shall in-
5 clude an assessment of the feasibility of establishing an
6 international fuel services center within the United States.

7 **TITLE II—INTERNATIONAL** 8 **NUCLEAR FUEL BANK**

9 **SEC. 201. VOLUNTARY CONTRIBUTIONS TO THE INTER-** 10 **NATIONAL ATOMIC ENERGY AGENCY.**

11 (a) VOLUNTARY CONTRIBUTIONS AUTHORIZED.—

12 The President is authorized to make voluntary contribu-
13 tions on a grant basis to the International Atomic Energy
14 Agency (hereinafter in this section referred to as the
15 “IAEA”) for the purpose of supporting the establishment
16 of an international nuclear fuel bank to maintain a reserve
17 of low-enriched uranium for reactor fuel to provide to eligi-
18 ble countries in the case of a disruption in the supply of
19 reactor fuel by normal market mechanisms.

20 (b) REQUIREMENTS.—Voluntary contributions under

21 subsection (a) may be provided only if the President cer-
22 tifies to the Committee on Foreign Affairs of the House
23 of Representatives and the Committee on Foreign Rela-
24 tions of the Senate that—

1 (1) the IAEA has received pledges in a total
2 amount of not less than \$100,000,000 and is in re-
3 ceipt of not less than \$75,000,000 of such pledges
4 for the purpose of supporting the establishment of
5 the international nuclear fuel bank referred to in
6 subsection (a);

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

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

13 (i) has a full scope safeguards agree-
14 ment with the IAEA and an additional
15 protocol for safeguards in force;

16 (ii) has never been determined by the
17 IAEA Board of Governors to be in non-
18 compliance with its IAEA full scope safe-
19 guards agreement and its additional pro-
20 tocol for safeguards; and

21 (iii) has effective enforceable export
22 controls regarding nuclear and dual-use
23 nuclear technology and other sensitive ma-
24 terials comparable to those maintained by
25 the United States; and

1 (B) the Secretary of State has never deter-
2 mined, for purposes of section 6(j) of the Ex-
3 port Administration Act of 1979, section 620A
4 of the Foreign Assistance Act of 1961, section
5 40 of the Arms Export Control Act, or any
6 other provision of law, that the government of
7 the non-nuclear weapon state has repeatedly
8 provided support for acts of international ter-
9 rorism;

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

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

17 (B) in the case of a country that at any
18 time prior to the request for nuclear reactor
19 fuel has been determined to be in noncompli-
20 ance with its IAEA safeguards agreement, the
21 IAEA Board of Governors determines that the
22 country has taken all necessary actions to sat-
23 isfy any concerns of the IAEA Director General
24 regarding the activities that led to the prior de-
25 termination of noncompliance;

1 (C) the country agrees to use the nuclear
2 reactor fuel in accordance with its IAEA safe-
3 guards agreement;

4 (D) the country has effective and enforce-
5 able export controls regarding nuclear and dual-
6 use nuclear technology and other sensitive ma-
7 terials comparable to those maintained by the
8 United States;

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

12 (F) the government of the country is not
13 a state sponsor of terrorism for purposes of sec-
14 tion 6(j) of the Export Administration Act of
15 1979, section 620A of the Foreign Assistance
16 Act of 1961, section 40 of the Arms Export
17 Control Act, or any other provision of law;

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

21 (5) the nuclear reactor fuel referred to in para-
22 graph (3) will be provided to a country referred to
23 in such paragraph only at current market prices.

1 (c) WAIVER.—The President may waive the require-
2 ment of subparagraph (F) of subsection (b)(3) if the
3 President—

4 (1) determines that it is important to the na-
5 tional security interests of the United States to do
6 so; and

7 (2) transmits to the Committee on Foreign Af-
8 fairs of the House of Representatives and the Com-
9 mittee on Foreign Relations of the Senate a report
10 that contains the basis of the determination under
11 paragraph (1).

12 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion shall be construed to authorize voluntary contribu-
14 tions under subsection (a) to support subsidization of the
15 price of nuclear reactor fuel whose supply would be as-
16 sured by the United States, the IAEA, or any other state
17 or international entity covered by this section.

18 **SEC. 202. AUTHORIZATION OF APPROPRIATIONS.**

19 (a) IN GENERAL.—To carry out section 201, there
20 is authorized to be appropriated to the President
21 \$50,000,000 for fiscal year 2008.

22 (b) AVAILABILITY OF APPROPRIATIONS.—Amounts
23 appropriated pursuant to the authorization of appropria-

1 tions under subsection (a) are authorized to remain avail-
2 able until September 30, 2010.

Passed the House of Representatives June 18, 2007.

Attest: LORRAINE C. MILLER,
Clerk.