

116TH CONGRESS
1ST SESSION

S. 2338

To prohibit the Export-Import Bank of the United States from financing the export of nuclear technology, equipment, fuel, materials, or other goods or services to Saudi Arabia, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2019

Mr. VAN HOLLEN (for himself, Mr. GRAHAM, Mr. MORAN, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To prohibit the Export-Import Bank of the United States from financing the export of nuclear technology, equipment, fuel, materials, or other goods or services to Saudi Arabia, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Preventing Nuclear
5 Proliferation in Saudi Arabia Act of 2019”.

1 **SEC. 2. PROHIBITION ON EXPORT-IMPORT BANK FINANC-**
2 **ING FOR EXPORT OF NUCLEAR TECHNOLOGY,**
3 **EQUIPMENT, FUEL, MATERIALS, OR OTHER**
4 **GOODS OR SERVICES TO SAUDI ARABIA.**

5 (a) FINDINGS.—Congress makes the following find-
6 ings:

7 (1) The Export-Import Bank of the United
8 States identifies global nuclear power as a key and
9 growing industry in which the Bank has played an
10 important role by financing the export of United
11 States nuclear equipment, fuel, technology, and serv-
12 ices to foreign purchasers.

13 (2) In September 2012, the Export-Import
14 Bank authorized a \$2,000,000,000 direct loan to the
15 Barakah One Company of the United Arab Emirates
16 to finance the export of United States equipment
17 and service-expertise for the construction of a nu-
18 clear power plant in the United Arab Emirates, the
19 first of its kind on the Arabian Peninsula.

20 (3) The transaction to finance the construction
21 of the Barakah nuclear power plant was enabled by
22 the establishment of a bilateral nuclear cooperation
23 agreement between the United States and the
24 United Arab Emirates made pursuant to section 123
25 of the Atomic Energy Act of 1954 (42 U.S.C.
26 2153), in which the United Arab Emirates com-

1 mitted to forgo uranium enrichment and reprocess-
2 ing on its territory and was obligated to bring into
3 force an Additional Protocol to its Comprehensive
4 Safeguards Agreement with the International Atom-
5 ic Energy Agency.

6 (4) The nuclear cooperation agreement, which
7 was signed on May 21, 2009, became known as the
8 first “gold standard” civil nuclear agreement and
9 was viewed as a step toward building a strong non-
10 proliferation framework in the region.

11 (5) In accordance with that agreement, the
12 United Arab Emirates reserves the right to amend
13 its terms in the event the United States establishes
14 a peaceful nuclear cooperation agreement with an-
15 other non-nuclear-weapon state in the Middle East
16 that is less prescriptive in scope and effect than its
17 agreement with the United States.

18 (6) The Government of Saudi Arabia intends to
19 develop an extensive civilian nuclear program, in-
20 cluding the construction of 2 nuclear power reactors
21 and multiple small modular reactors.

22 (7) For the construction of its first 2 nuclear
23 power reactors, the Government of Saudi Arabia
24 plans to issue a multi-billion dollar tender in 2020,

1 and among the potential suppliers is the United
2 States.

3 (8) The Government of Saudi Arabia currently
4 has in place a Small Quantities Protocol to its Com-
5 prehensive Safeguards Agreement with the Inter-
6 national Atomic Energy Agency, an agreement that
7 suspends the application of a number of safeguards
8 requirements for a country with minimal nuclear
9 material activities on its territory or under its juris-
10 diction.

11 (9) Despite its plans to develop an extensive ci-
12 vilian nuclear program and interest in the United
13 States as a supplier of nuclear technology and exper-
14 tise, the Government of Saudi Arabia has dem-
15 onstrated little willingness to accept strong non-
16 proliferation measures, such as an Additional Pro-
17 tocol to its Comprehensive Safeguards Agreement
18 with the International Atomic Energy Agency, and
19 has even expressed a desire for acquiring uranium
20 enrichment technology.

21 (10) Fully functional with a quorum and if re-
22 authorized beyond September 30, 2019, when its
23 current charter lapses, the Export-Import Bank will
24 regain its ability to finance United States nuclear

1 exports by extending loans and credit to foreign pur-
2 chasers.

3 (b) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that—

5 (1) any provision of financing assistance by the
6 Export-Import Bank of the United States to Saudi
7 Arabia for the import of United States nuclear tech-
8 nology, equipment, fuel, materials, or goods or serv-
9 ices should be conditioned on the commitment of the
10 Government of Saudi Arabia to renounce uranium
11 enrichment and reprocessing on its territory and its
12 adoption and implementation of an Additional Pro-
13 tocol to its Comprehensive Safeguards Agreement
14 with the International Atomic Energy Agency as a
15 way to advance United States nonproliferation and
16 nuclear cooperation objectives in the region; and

17 (2) to further bolster nonproliferation efforts in
18 the region, the United States should oppose, through
19 the Nuclear Suppliers Group, the export of nuclear
20 technology to Saudi Arabia until the Government of
21 Saudi Arabia has—

22 (A) committed to renouncing uranium en-
23 richment and reprocessing on its territory; and

24 (B) signed and implemented an Additional
25 Protocol to its Comprehensive Safeguards

1 Agreement with the International Atomic En-
2 ergy Agency.

3 (c) PROHIBITION.—The Export-Import Bank of the
4 United States may not guarantee, insure, or extend (or
5 participate in the extension of) credit in connection with
6 the export of nuclear technology, equipment, fuel, mate-
7 rials, or other goods or services to Saudi Arabia unless—

8 (1) the Government of Saudi Arabia—

9 (A) has in effect a nuclear cooperation
10 agreement pursuant to section 123 of the
11 Atomic Energy Act of 1954 (42 U.S.C. 2153);

12 (B) has signed and implemented an Addi-
13 tional Protocol to its Comprehensive Safeguards
14 Agreement with the International Atomic En-
15 ergy Agency; and

16 (C) has committed not to possess sensitive
17 nuclear facilities within its territory or other-
18 wise to engage in activities relating to the en-
19 richment or reprocessing of nuclear material;
20 and

21 (2) not less than 30 days before the Board of
22 Directors of the Bank provides final approval to the
23 guarantee, insurance, or extension (or participation
24 in the extension) of credit, the Bank, in coordination
25 with the Secretary of State and the Chairman of the

1 Nuclear Regulatory Commission, submits to the ap-
2 propriate congressional committees a report that in-
3 cludes—

4 (A) a detailed description of, and an expla-
5 nation for providing the guarantee, insurance,
6 or extension (or participation in the extension)
7 of credit for, the transaction;

8 (B) a description of the nuclear tech-
9 nology, equipment, fuel, materials, or other
10 goods or services that will be exported to Saudi
11 Arabia;

12 (C) the name, address, and place of incor-
13 poration or other legal organization of the im-
14 mediate parent, the ultimate parent, and each
15 immediate parent, if any, of the foreign entities
16 that are parties to the transaction;

17 (D) the name of all United States busi-
18 nesses that are parties to the transaction; and

19 (E) the name of any and all other financial
20 institutions involved in the transaction, includ-
21 ing as advisors, underwriters, or a source of fi-
22 nancing for the transaction.

23 (d) TREATMENT OF CONFIDENTIAL INFORMATION.—
24 If the Export-Import Bank of the United States deter-
25 mines that any information required to be included in the

1 report under subsection (c)(2) should be made confiden-
 2 tial, that information may be submitted in a separate and
 3 confidential report to the chairmen and ranking members
 4 of the appropriate congressional committees.

5 (e) DEFINITIONS.—In this section:

6 (1) APPROPRIATE CONGRESSIONAL COMMIT-
 7 TEES.—The term “appropriate congressional com-
 8 mittees” means—

9 (A) the Committee on Banking, Housing,
 10 and Urban Affairs and the Committee on For-
 11 eign Relations of Senate; and

12 (B) the Committee on Financial Services
 13 and the Committee on Foreign Affairs of the
 14 House of Representatives.

15 (2) SENSITIVE NUCLEAR FACILITY.—The term
 16 “sensitive nuclear facility” means any facility de-
 17 signed or used primarily for uranium enrichment, re-
 18 processing of nuclear fuel, heavy water production,
 19 or fabrication of nuclear fuel containing plutonium.

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