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9:30 AM - NUCLEAR PROLIFERATION  
Situation Room  
(30 minutes) =

Friday, September 24, 1976

*Currenti speak  
Thurs. 9/30*



[Sept. 1976]

Dear \_\_\_\_\_

When we met last week, I emphasized the great importance to our non-proliferation objectives of two legislative measures pending before the Congress.

The Nuclear Fuel Assurance Act is the most important step that we can take toward achieving our non-proliferation objectives because it is the key to our ability to maintain our role as the leading world supplier of nuclear fuel and equipment for peaceful purposes. Unless we are reliable and competitive suppliers, we simply will not have the leverage to get other nations to accept our more rigid non-proliferation standards.

Non-proliferation legislation setting criteria for our nuclear exports is also important because we must make it clear to all nations -- customers and suppliers -- that strong steps are needed to prevent the theft by terrorists or diversion by nations of nuclear materials to build nuclear explosives.

I have reviewed that compromise non-proliferation legislation that you have worked out with Bob Fri and I believe that it is acceptable if passed by the House and Senate in this form. I urge you to take it up quickly.

I understand that you have not been successful in getting the few objecting Senators to permit the Nuclear Fuel Assurance Act to come to the floor for consideration. I sincerely regret that this is the case and believe strongly that those Senators are unknowingly reducing the ability of the United States to achieve its non-proliferation objectives. I urge you to continue working to permit consideration of that legislation by the Senate this session.

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[Sept. 1976]

Mr. Cannon

From; Glenn Schleede

Another up to the minute report- Fri now claims that;

1. he has put back together the compromise on non-proliferation.
2. he thinks he can get percy to add a provision on nuclear fuel to require each house of Congress to make the joint committee report the pending business of the house within 25 days -- and a vote five days thereafter. This still does not meet the standards you and Frank and Jim Mitchel came up with this morning.

Bob Fri has been meeting this afternoon

[Sept. 1976]

THE WHITE HOUSE  
WASHINGTON

DECISION

MEMORANDUM FOR: THE PRESIDENT  
FROM: JIM CANNON  
BRENT SCOWCROFT  
SUBJECT: NON-PROLIFERATION AND NUCLEAR  
FUEL LEGISLATION

This memorandum is to:

- Report on the status of Bob Fri's negotiations with Senator Percy on this legislation.
- Assess the outlook for legislation this year.
- Present three alternative courses of action for your consideration.
- ° Non-Proliferation
  - Senate

Bob Fri has pursued negotiations with Percy focusing primarily on the non-proliferation bill. As of Thursday night, it appears that agreement can be reached with Percy on a reasonable bill. There is some uncertainty as to whether Senator Percy can sell the compromise to his colleagues in Senate Government Operations and the JCAE. Committee, ERDA and State staffs are meeting today to try to work out the language to carry out the Percy-Fri agreement.

Senator Baker is still maintaining his hold and has indicated (via his staff) that he will be guided by your wishes on maintaining this hold. There is some rumor that Senator Percy will attempt to bring up his compromise on Wednesday, September 29.

-- House

Anderson and Price have introduced their bill (H.R. 15419) but there is no chance that it will be taken up on the House floor unless extraordinary measures were taken to get a rule (a step that Price seems unwilling to support). The only chance of House action on any non-proliferation bill this session is if it were attached in the Senate to the Nuclear Fuel Assurance Act, passed quickly, the differences resolved in conference, and passed by both Houses.

-- Outlook

Percy and others may try to get the compromise bill passed next week. Even if it passes the Senate, it is unlikely to pass the House. The problem with this is that you are publicly postured as holding up the non-proliferation bill unless the Senate takes up the NFAA. Thus, maintaining this posture would leave you open for a charge of blocking non-proliferation legislation.

° Nuclear Fuel Assurance Act

-- Senate

Estimate of "holds" now range from three to six (Proxmire, Clark, Durkin, McGovern, Abourezk, and Glenn). Senator Percy insists that it is not possible to get all of these holds removed from the NFAA. Industry and labor supporters of the bill are focusing their attention on 27 democratic Senators who are known to support the bill with the objective of getting Senator Byrd to schedule the bill even though there are a few holds remaining. These industry and labor supporters are contending that Glenn, Abourezk, and McGovern have or will remove their holds.

-- Percy compromise

Senator Percy has proposed a compromise approach to uranium enrichment. He proposes dropping the NFAA as it passed the House and, instead, adding provisions to the non-proliferation bill which:

- authorize the Portsmouth plant;
- require you to submit a report by April 15, 1977, on the relative merits of Government vs. private ownership of future uranium enrichment plants;
- permit you to submit "elements of contracts" for approval by the Congress within a 60-day period.

He may be willing to substitute for the last point above a provision which provides that ERDA can proceed with contracts if the Congress has not disapproved them within 60 days. Under this approach, contracts would be submitted first, followed by authorizing legislation and an appropriations request. It would differ from current authority (without NFAA) in that there would be a Congressional deadline for action on contracts.

° Alternatives

There are three principal alternatives available for your consideration:

- Alt. #1. Hold to the proposal you presented to Senator Percy and others on September 17, that you would urge Senator Baker to remove his hold if (a) the NFAA was scheduled for Senate floor action under a time agreement, and (b) non-proliferation legislation acceptable to you was negotiated with Senator Percy and others.
  - Principal arguments for this approach are that: (a) it is a logical position in that U.S. ability to get other nations to accept our non-proliferation goals depends upon our reliability as a supplier of uranium enrichment services; and (b) it is consistent with the position you presented to Senator Percy and others.
  - Principal argument against this approach is that you will be open to the charge of obstructing non-proliferation legislation and you would not get the NFAA anyway.
- Alt. #2. Endorse the Percy compromise approach which adds some kind of uranium enrichment provisions to the non-proliferation bill.



- Principal arguments for this approach are that:  
(a) you would be postured in favor of non-proliferation legislation and willing to accept a compromise on uranium enrichment, (b) it ties non-proliferation and uranium enrichment together, and (c) it may be the only chance of getting any Senate legislation dealing with uranium enrichment this session.
  - Principal argument against this approach is that, depending upon the language on uranium enrichment that is added to the non-proliferation bill, the result may be less acceptable than merely accepting defeat of the NFAA for this session and submitting a new proposal in January.
- Alt. #3. Accept the non-proliferation legislation, urge Senator Baker to remove his hold, and give up for this session on the NFAA.
- Principal arguments for this approach are that it (a) postures you in favor of non-proliferation legislation, (b) provides the opportunity to reiterate the importance of the NFAA and leaves options open on uranium enrichment for next session.
  - Principal arguments against this approach are that it (a) is a reversal of the position you have taken with the Senators, and (b) it foregoes whatever gains might be achieved in the uranium enrichment language attached to the Percy non-proliferation bill.

#### RECOMMENDATIONS

- |       |                                                                                         |
|-------|-----------------------------------------------------------------------------------------|
| _____ | <u>Alt. #1.</u> Maintain hold on non-proliferation legislation unless NFAA is taken up. |
| _____ | <u>Alt. #2.</u> Accept Percy compromise                                                 |
| _____ | <u>Alt. #3.</u> Sever relationship between NFAA and non-proliferation legislation.      |

Dear \_\_\_\_\_

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UNITED STATES  
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION  
WASHINGTON, D.C. 20545

September 23, 1976

76 SEP 23 AM 8 04

MEMORANDUM TO: Brent Scowcroft  
Jim Cannon  
Jim Lynn  
Jim Connor  
Frank Zarb  
Chuck Robinson

FROM: Bob Fri ~~USA~~

SUBJECT: Nonproliferation and NFAA

Our discussions with Senator Percy have identified four key points of difference. These points of difference, and suggested compromise resolutions, are set forth below, and a marked-up copy of the Anderson Bill (HR 15419) is attached showing specific language changes involved on both the four key points (and on several more minor points as well).

1. "Trigger" for stricter licensing criteria

Congress will recede from the S.3770 trigger for the stricter licensing criteria (effective after 18 months but subject to Presidential delay). Instead, the compromise would provide:

- a. A Congressional policy declaration that the stricter "criteria" will be sought from other nations, and should (ultimately) become statutory licensing criteria.
- b. A requirement that the President periodically propose legislation to implement the commitments obtained from other nations as statutory export licensing criteria. If the President has not, at the end of the time period, obtained the agreement of other nations, he must report to the Congress in detail the reasons why the commitments were not obtained.



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2. Reprocessing

Inasmuch as the "stepped up" reprocessing criterion set forth in Section 15(a)(5) of S.3770 will no longer automatically become a statutory licensing criterion--but will instead be only a "negotiating goal"--the Administration would accept the Section 15(a)(5) reprocessing criterion essentially as written in S.3770. This means that we would negotiate with other nations toward an ultimate objective of reprocessing only under "international auspices, management and control." The bill would contain no reference to the "controlled spread" provision of HR 15419 which would have permitted national reprocessing under limited conditions.

3. Presidential Override

Congress would agree to a Presidential override of NRC license denials. However, the bill would contain an explicit provision for Congressional override of the President's override. This Congressional override would be accomplished by a joint resolution (subject to Presidential veto), enacted within thirty calendar days after the President's override. The joint resolution/thirty calendar day approach is based on the "Symington amendment" to the Foreign Military Sales and Assistance Act signed by the President on June 30.

4. Nuclear Fuels Assurance Act

Senator Percy has indicated that he is unable to secure the assent of other Senators required to permit a vote on NFAA this year. Consequently, he will propose that a "NFAA" section be added to the nonproliferation bill that would:

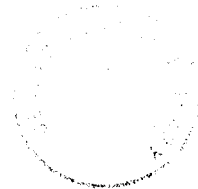
- a. require construction of the Portsmouth add-on,
- b. provide for a Presidential report by April 15, 1977 on private vs. government enrichment,
- c. permit the President to submit (at the same time) the elements of proposed cooperative arrangements with private enrichment companies. These arrangements would be referred to the JCAE, which would be required to report to both Houses of Congress on an expedited basis. There would be a nonbinding recital to the effect

Congress will vote approval or disapproval of the proposed cooperative arrangements "on a timely basis." If Congress approves the arrangements, however, no further action could be taken without a specific Congressional authorization and appropriations.

You should be aware of the following:

- . Senator Percy and I agreed, on the basis of the above compromises, to write a clean bill that only represents our best efforts, but with no guarantees that it is acceptable to anyone else.
- . The specific language in the attached markup is mine, not Senator Percy's. Staff counsel are meeting at 9:00 a.m. Friday (tomorrow) to work out a clean bill, and there may be problems.
- . Your agreement to the proposed language would, in my judgment, strengthen our position.

cc: G. Schleede  
D. Elliott



BRACKETED MATERIAL DELETED

Union Calendar No. 818

94TH CONGRESS  
2D SESSION

**H. R. 15419**

[Report No. 94-1613]

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 2, 1976

Mr. PRICE (for himself and Mr. ANDERSON of Illinois) introduced the following bill; which was referred to the Joint Committee on Atomic Energy

SEPTEMBER 18, 1976

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

---

**A BILL**

To provide for more efficient and effective control over the proliferation of nuclear explosives by amendments to the Atomic Energy Act of 1954, as amended.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Nuclear Explosive Pro-
- 4 liferation Control Act of 1976".

3        *SEC. 2. The Congress hereby finds and declares that the*  
4    *proliferation of nuclear explosive devices poses a grave threat*  
5    *to vital United States interests and continued international*  
6    *progress toward world peace and development. Recent events,*  
7    *including the explosion of a nuclear device by India and the*  
8    *announcement of the transfer of uranium enrichment and*  
9    *nuclear fuel reprocessing facilities to nonnuclear-weapon*  
10   *states, [and the rising technical capabilities of many nations*  
11   *making possible, and in some cases likely, the independent*  
12   *development of at least a small scale nuclear fuel reprocess-*  
13   *ing capability,] emphasize the urgency of this threat and the*  
14   *imperative need to increase the scope, comprehensiveness,*  
15   *and effectiveness of international safeguards and controls on*  
16   *peaceful nuclear activities to prevent further proliferation of*  
17   *nuclear explosive devices. Accordingly, it is the policy of*  
18   *the United States to—*

19        (a) *actively pursue the establishment of effective*  
20        *international controls over the transfer and use of nu-*  
21        *clear equipment, material, and sensitive nuclear tech-*  
22        *nology for peaceful purposes which will prevent the*  
23        *further proliferation of nuclear explosive devices;*

24        (b) *insure that the actions of the United States in*  
25        *international nuclear commerce in helping to assure ade-*

1     quate and reliable energy supplies to other nations are  
2     consistent with the Treaty on the Non-Proliferation of  
3     Nuclear Weapons ("the treaty"), the Statute of the  
4     International Atomic Energy Agency ("the statute")  
5     and the need to establish effective controls on the pro-  
6     liferation of nuclear explosive devices through interna-  
7     tional arrangements and cooperative agreements; and

8         (c) encourage nations which have not ratified the  
9     treaty to do so at the earliest possible date.

10                 STATEMENT OF PURPOSE.

11     SEC. 3. It is the purpose of this Act to promote the policies  
12     set forth above by insuring effective control by the United  
13     States over its exports of nuclear equipment, materials, and  
14     sensitive nuclear technology, by establishing a framework for  
15     international cooperation to insure that the worldwide devel-  
16     opment of peaceful nuclear activities as well as the export by  
17     any nation of nuclear equipment, materials, and sensitive  
18     nuclear technology intended for use in peaceful nuclear activ-  
19     ities do not contribute to the proliferation of nuclear explosive  
20     devices, and by providing incentives to the other nations of  
21     the world to join in such international cooperative efforts.  
22     Accordingly, this Act specifies—

23         (a) provisions to insure the full and comprehensive  
24     assessment of the risks of proliferation of nuclear explo-  
25     sive devices in the negotiation and review of agreements

1     *for cooperation and subsequent arrangements under such*  
2     *agreements, and of policies affecting the proliferation of*  
3     *nuclear explosive devices;*

4             *(b) procedures under which the Congress will re-*  
5     *ceive adequate information and opportunity to examine*  
6     *proposed agreements for cooperation ~~and~~ and amendments*  
7     *thereto and to review the policies of the United States*  
8     *affecting the proliferation of nuclear explosive devices;*

9             *(c) licensing principles which would be applied*  
10    *immediately to all future exports by the United States of*  
11    *nuclear materials, equipment, and sensitive nuclear tech-*  
12    *nology intended for use in peaceful nuclear activities and*  
13    *which could be of significance for nuclear explosive pur-*  
14    *poses;*

15            *(d) preferential treatment in the provision of nu-*  
16    *clear fuel services to nations which agree to adhere to*  
17    *policies designed to prevent the proliferation of nuclear*  
18    *explosive devices;*

19            *(e) international arrangements or other mutual*  
20    *undertakings which the United States shall seek to negoti-*  
21    *ate with other nations, including the nuclear supplier*  
22    *nations, to establish—*

23                *(1) effective international proliferation controls*  
24    *and supervision to assure that nuclear materials,*  
25    *equipment, and sensitive nuclear technology which*

Stet

1        *are intended for use in peaceful nuclear activities do*  
2        *not contribute to the development of nuclear explo-*  
3        *sive devices;*

4            *(2) procedures to be followed in the event a*  
5        *nation violates any material obligation with respect*  
6        *to the peaceful use of nuclear materials, equipment,*  
7        *or sensitive nuclear technology, or the principles of*  
8        *the treaty; and*

9            *(3) procedures to be followed in the event of*  
10       *diversion, theft, or sabotage of nuclear materials*  
11       *which could be of significance for nuclear explosive*  
12       *purposes; and*

13           *(f) increased support to be given the International*  
14       *Atomic Energy Agency ("the IAEA").*

15       *UNITED STATES INITIATIVES FOR INTERNATIONAL*  
16       *NUCLEAR COOPERATION*

17       *SEC. 4. The United States, as a matter of national policy,*  
18       *shall take such actions and institute such measures as may be*  
19       *necessary and feasible to assure other nations and groups of*  
20       *nations which may seek to utilize the benefits of atomic*  
21       *energy for peaceful purposes, including the generation of*  
22       *electricity, that it will provide a reliable supply of nuclear*  
23       *fuel services to those nations or groups of nations which*  
24       *adhere to policies designed to prevent the proliferation of*  
25       *nuclear explosive devices. Such nuclear fuel services shall*

1 be provided under agreements entered into pursuant to sec-  
2 tion 161 of the Atomic Energy Act of 1954, as amended,  
3 or as otherwise authorized by law. The United States will  
4 make its best efforts to assure that it will have available the  
5 capacity to carry out this policy on a long-term basis. The  
6 United States, as a matter of national policy shall issue ex-  
7 port licenses for, or otherwise authorize export of nuclear  
8 materials and equipment, within a reasonable time, upon a  
9 determination that all the applicable statutory requirements  
10 are met.

11 SEC. 5. The United States shall institute immediate  
12 initiatives—

13 (a) to seek to negotiate with other nations, includ-  
14 ing the nuclear supplier nations, one or more interna-  
15 tional arrangements or other mutual undertakings to—

16 (1) assure that nuclear materials, equipment,  
17 and sensitive nuclear technology intended for use in  
18 peaceful nuclear activities shall be transferred inter-  
19 nationally only to nations or groups of nations which  
20 afford undertakings in compliance with the princi-  
21 ples set forth in subsection 15(<sup>b</sup>~~a~~) of this Act suffi-  
22 cient to insure that such materials, equipment, and  
23 sensitive nuclear technology will not be used in, or  
24 for the purposes of developing any nuclear explosive  
25 devices;

1           (2) require that special nuclear material ex-  
2           ported by or in the possession of the parties to any  
3           such international arrangements or other mutual  
4           undertaking and that all special nuclear material  
5           produced in or through the use of any nuclear ma-  
6           terial or equipment transferred internationally by  
7           such parties, be subject to adequate physical security  
8           measures to insure their protection against acts of  
9           terrorism, sabotage, and theft;

10          (3) establish international standards of physi-  
11          cal security and effective provision for application  
12          thereof;

13          (4) adopt general principles and procedures to  
14          be followed in the event that any nation violates  
15          the principles of the treaty, whether or not such  
16          nation is a party to the treaty, or any material un-  
17          dertaking with respect to the peaceful use of nuclear  
18          materials, equipment, or sensitive nuclear technol-  
19          ogy; and

20          (5) establish international procedures for re-  
21          covering nuclear materials that have been stolen, or  
22          obtained or used by a nation or by any person or  
23          group in contravention of the principles of the  
24          treaty;

25          (b) to assure all nations of the world that the

1     *United States, as a matter of national policy, will not*  
2     *act in a manner which would reduce the comprehensive-*  
3     *ness or effectiveness of international safeguards or physi-*  
4     *cal security guidelines agreed to or adopted by all nuclear*  
5     *supplier nations;*

6             *(c) to assure all nations of the world that the*  
7     *United States, as a matter of national policy, is commit-*  
8     *ted to a strong and effective IAEA and to a comprehen-*  
9     *sive safeguards system administered by that agency to*  
10    *prevent the further proliferation of nuclear explosives.*  
11    *Accordingly, the United States will continually seek to*  
12    *act with other nations to strengthen the IAEA through*  
13    *contribution of technical resources, support funding,*  
14    *and by—*

15             *(1) continuing to strengthen the safeguards*  
16    *program of the IAEA and, in order to implement*  
17    *this initiative, contribute funds to assist the IAEA*  
18    *in effectively implementing safeguards at this time*  
19    *when international utilization of nuclear power for*  
20    *growing energy needs is rapidly increasing;*

21             *(2) assuring that the IAEA has the resources*  
22    *to carry out the provisions of article XII ("agency*  
23    *safeguards") of the statute, including support*  
24    *needed to provide for the storage under international*

1        *supervision of plutonium and other special nuclear*  
2        *material which is sensitive from the standpoint of*  
3        *preventing the proliferation of nuclear explosive*  
4        *devices;*

5                *(3) improving the IAEA safeguards system,*  
6        *including accountability to insure—*

7                *(i) the detection of a possible diversion of*  
8        *special nuclear materials which could be used*  
9        *for nuclear explosive devices;*

10               *(ii) the timely dissemination of informa-*  
11        *tion regarding such diversion; and*

12               *(iii) the application of procedures in the*  
13        *event of such diversion;*

14               *(4) assuring that the IAEA both receives the*  
15        *data needed for it to administer an effective and*  
16        *comprehensive international safeguards program*  
17        *and that the IAEA provides timely notice to the*  
18        *world community of any evidence of violation of*  
19        *safeguards agreements to which it is a party; and*

20               *(d) consistent with the policies of this Act, to devise*  
21        *feasible approaches for the development under effective*  
22        *international auspices and management of nuclear fuel*  
23        *cycle facilities and the possible location of such facilities*  
24        *at specific sites;*

1           (e) to seek renegotiation of agreements for coopera-  
2       tion where warranted to promote United States non-  
3       proliferation interests.

4       SEC. 6. The President shall take such steps as may be  
5       necessary to implement the policies and initiatives of this Act  
6       fully and in a timely manner through the most vigorous  
7       efforts by the United States in concert with the IAEA and  
8       the nuclear exporting and importing nations, and through  
9       the submission of proposed legislation to the Congress.

10       SAFEGUARDS TRAINING PROGRAM AND STUDIES

11       SEC. 7. The Energy Research and Development Ad-  
12       ministration, in consultation with the Nuclear Regulatory  
13       Commission, shall establish and operate a safeguards and  
14       physical security training program to be made available to  
15       persons from countries which have, or may be expected to  
16       develop or acquire nuclear materials or equipment for use  
17       for peaceful purposes. Any such program shall include  
18       training in the most advanced safeguards and physical se-  
19       curity techniques and technology, consistent with national  
20       security interests of the United States.

21       CLARIFICATION OF EXPORT FUNCTIONS

22       SEC. 8. Subsection 123 a. of the Atomic Energy Act of  
23       1954, as amended, is amended as follows:

24           (a) by deleting the introductory words thereof be-  
25       fore the words "proposed agreement shall include" and

1     *substituting therefor the following: "the proposed agree-*  
2     *ment for cooperation has been submitted to the Presi-*  
3     *dent, which";*

4             *(b) by amending subsection 123 a. (3) by insert-*  
5     *ing a comma after the words "military purpose" and*  
6     *adding the words "or for any nuclear explosive device*  
7     *for any purpose whatsoever"; and*

8             *(c) by deleting the semicolon at the end of subsection*  
9     *123a. (4) and inserting the following: "and (5) except*  
10    *in the case of agreements for cooperation arranged pur-*  
11    *suant to subsection 91 c., 144 b., or 144 c., a guaranty*  
12    *by the cooperating party that, upon the request of the*  
13    *Government of the United States, the cooperating party*  
14    *will consult with the Government of the United States for*  
15    *the purpose of determining whether the terms and condi-*  
16    *tions thereof relating to safeguards, other control mech-*  
17    *anisms, and any peaceful use assurances contained*  
18    *therein should be amended. Except in the case of those*  
19    *agreements for cooperation arranged pursuant to sub-*  
20    *section 91 c., 144 b., or 144 c., any proposed agree-*  
21    *ment for cooperation shall be negotiated by the*  
22    *Secretary of State, with the technical assistance and con-*  
23    *currence of the Administrator of Energy Research and*  
24    *Development, and shall be submitted to the President*  
25    *jointly by the Secretary of State and the Administrator*

only after consultation with the Nuclear Regulatory Commission. Any such agreement shall be accompanied by the recommendations of the Secretary of State and the Administrator, and the views of the Director of the Arms Control and Disarmament Agency, regarding the adequacy of the safeguards and other control mechanisms and the peaceful use assurances contained in the agreement for cooperation to insure that any assistance furnished thereunder will not be used to further any military or nuclear explosive purpose. In the case of those agreements for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c., any proposed agreement for cooperation shall be submitted to the President by the Administrator of Energy Research and Development or, in the case of those agreements for cooperation arranged pursuant to subsection 91 c. or 144 b. which are to be implemented by the Department of Defense, by the Secretary of Defense;".

SEC. 9. (a) The amendments to section 123 a. of the Atomic Energy Act of 1954, as amended, made by section 8. of this Act shall not apply to agreements for cooperation entered into prior to the effective date of this Act.

(b) In the first sentence of subsection 123 d., strike out all after the words "has been submitted to the Congress" and insert in lieu thereof the following: and referred jointly to

The Director of the Arms Control and Disarmament Agency shall also provide to the President a Nuclear Proliferation Assessment Statement, which shall be unclassified,

together with the Nuclear Proliferation Assessment Statement prepared by the Director of the Arms Control and Disarmament Agency,

1<sup>st</sup> the Joint Committee on Atomic Energy for its consideration  
2 of such matters as fall within its jurisdiction under section  
3 202 of this Act and to the Committee on International Rela-  
4 tions of the House of Representatives and the Committee on  
5 Foreign Relations of the Senate for their consideration of all  
6 other matters and a period of sixty days has elapsed while  
7 Congress is in session (in computing such sixty days there  
8 shall be excluded the days on which either House is not in  
9 session because of an adjournment of more than three days),  
10 but any such proposed agreement for cooperation shall not  
11 become effective if during such sixty-day period the Congress  
12 passes a concurrent resolution stating in substance that it does  
13 not favor the proposed agreement for cooperation: Provided,  
14 That prior to the elapse of the first forty-five days of any  
15 such sixty-day period such committees shall submit reports to  
16 the Congress of their views and recommendations respecting  
17 the proposed agreement, and an accompanying proposed con-  
18 current resolution stating in substance that the Congress  
19 favors, or does not favor, as the case may be, the proposed  
20 agreement for cooperation.”.

21 (c) The last sentence of such subsection is amended by  
22 striking out “twenty-five” and inserting in lieu thereof “ten”.

23 SEC. 10. Section 123 of the Atomic Energy Act of 1954,  
24 as amended, is amended by adding thereto the following new  
25 subsection:

the Department of State,  
the Energy Research and  
Development Administration  
and the Arms Control and  
Disarmament Agency shall, upon the  
request of any of those committees,

1 "e. Following submission of a proposed agreement  
2 for cooperation (except an agreement for cooperation ar-  
3 ranged pursuant to subsection 91 c., 144 b., or 144 c.) to  
4 the Joint Committee on Atomic Energy, the Committee on  
5 Foreign Relations of the Senate, and the Committee on  
6 International Relations of the House of Representatives,  
7 the Nuclear Regulatory Commission ~~shall~~ promptly furnish  
8 to such committees <sup>their</sup> ~~its~~ views as to whether the safeguards  
9 and other controls contained therein provide an adequate  
10 framework to insure that the export of any source or special  
11 nuclear material, or any production or utilization facility  
12 as contemplated by such agreement, will not be inimical to or  
13 constitute an unreasonable risk to the common defense and  
14 security."

15 SEC. 11. Prior to entering into any subsequent arrange-  
16 ments under an agreement for cooperation other than agree-  
17 ments for cooperation arranged pursuant to subsection 91 c.,  
18 144 b., or 144 c. of the Atomic Energy Act of 1954, as  
19 amended, the Energy Research and Development Admin-  
20 istration shall obtain the concurrence of the Secretary of  
21 State and shall consult with and take into full consideration  
22 the recommendations of other concerned agencies and depart-  
23 ments, including the Nuclear Regulatory Commission and  
24 the Arms Control and Disarmament Agency, to assure that  
25 the subsequent arrangements are consistent with the agree-

1 ment for cooperation and the policy of preventing the prolif-  
2 eration of nuclear explosive devices. For purposes of this  
3 subsection, the term "subsequent arrangements" shall in-  
4 clude: contracts for the furnishing of nuclear materials or  
5 equipment; approvals for the reexport of nuclear materials,  
6 or equipment previously exported pursuant to an agreement  
7 for cooperation; authorization for the distribution of nuclear  
8 materials or equipment pursuant to the Atomic Energy Act;  
9 arrangements for physical security; arrangements for the  
10 reprocessing or storage of irradiated nuclear fuel; arrange-  
11 ments for the application of safeguards with respect to United  
12 States supplied nuclear materials or equipment; or any  
13 other arrangement which the President finds to be important  
14 from the standpoint of preventing the proliferation of nu-  
15 clear explosive devices.

16 SEC. 12. Section 54 a. of the Atomic Energy Act of  
17 1954, as amended, is amended, by inserting the following as  
18 the second sentence thereof: "The authority of the Energy  
19 Research and Development Administration to distribute spe-  
20 cial nuclear material under this section other than under  
21 an export license granted by the Nuclear Regulatory Com-  
22 mission [or under an authorization granted by the President in  
23 accordance with section 112] shall extend only to small quan-  
24 tities of special nuclear material (in no event more than five  
25 hundred grams per year of contained special nuclear mate-

1 rial to any recipient): (1) which are contained in laboratory  
2 samples, medical devices, or monitoring or other instruments;  
3 or (2) the distribution of which is needed to deal with an  
4 emergency situation in which time is of the essence.”.

5 SEC. 13. Subsection 57 b. of the Atomic Energy Act  
6 of 1954, as amended, is amended to read as follows:

7 “b. It shall be unlawful for any person to directly or  
8 indirectly engage in the production of any special nuclear  
9 material outside of the United States except (1) under an  
10 agreement for cooperation made pursuant to section 123,  
11 or (2) upon authorization by the Administrator of Energy  
12 Research and Development after a determination that such  
13 activity will not be inimical to the interest of the United  
14 States: Provided, That any such determination by the Ad-  
15 ministrator shall be made only after consultation with the  
16 Department of State, the Arms Control and Disarmament  
17 Agency, and the Nuclear Regulatory Commission under  
18 mutually-agreed-to procedures which shall be established  
19 within not more than ninety days after the date of enact-  
20 ment of this proviso. Any trade secrets or proprietary in-  
21 formation submitted by any person seeking an authorization  
22 under this subsection shall be afforded the maximum degree  
23 of protection allowable by law.”.

24 SEC. 14. Chapter 10 of the Atomic Energy Act of

1 1954, as amended, is amended by adding thereto the fol-  
2 lowing sections:

3 "SEC. 111. EXPORT LICENSING PROCEDURES.—

4 "a. Following enactment of this section, no license may  
5 be issued by the Commission for the export of any produc-  
6 tion or utilization facility, or any source material or special  
7 nuclear material, and no exemption from any requirement  
8 for such an export license may be granted by the Commis-  
9 sion, until the Commission has furnished a copy of such  
10 application or proposed exemption to the Secretary of State,  
11 and has been notified by the Secretary of State that, in his  
12 judgment, the issuance of the license or grant of the exemp-  
13 tion will not be inimical to the common defense and security.

14 "b. In making the judgment called for by subsection a.,  
15 the Secretary of State shall obtain the views of other con-  
16 cerned departments and agencies, including the Energy  
17 Research and Development Administration, the Department  
18 of Commerce, and the Arms Control and Disarmament  
19 Agency, in accordance with procedures established by the  
20 President. The procedures shall include provision of ap-  
21 propriate data and recommendations, subject to requests for  
22 additional data and recommendations, as required by the  
23 Nuclear Regulatory Commission to carry out its export  
24 licensing functions.

d. No court shall have any jurisdiction under any law to compel the performance of, or to review the adequacy of the performance of, any Nuclear Proliferation Assessment Statement called for in this section and elsewhere in this Act.

1       *"c. Within one hundred and twenty days of the effective*  
 2 *date of this section, the Commission shall promulgate regu-*  
 3 *lations relating to the procedures which will apply to the*  
 4 *review of applications for licenses for export under its juris-*  
 5 *isdiction. Among other things, the procedures shall provide*  
 6 *that if one or more Commissioners have dissenting views on*  
 7 *the issuance of an export license, the Commission decision*  
 8 *shall be supported by a public written opinion accompanied*  
 9 *by any such dissenting views.*

10       *"SEC. 112. PRINCIPLES GOVERNING UNITED STATES*  
 11 *NUCLEAR EXPORTS.—*

12       *"a. Until the principles called for in section 15 of this*  
 13 *Act are placed in effect, the United States adopts, in the*  
 14 *interim, as a matter of policy, the following principles which,*  
 15 *in addition to other requirements of law, will govern its ex-*  
 16 *port for peaceful nuclear uses of source material and spe-*  
 17 *cial nuclear material or of any production or utilization*  
 18 *facilities, or any sensitive nuclear technology which could*  
 19 *be of significance for nuclear explosive purposes:*

20       *"(1) [Assurance that] IAEA safeguards as required*  
 21 *by article III(2) of the treaty shall be applied with*  
 22 *respect to such material, or equipment and to any spe-*  
 23 *cial nuclear material produced through the use thereof.*

24       *"(2) No such material, equipment, or sensitive nu-*  
 25 *clear technology and no special nuclear material pro-*

1        *duced through the use of such nuclear materials, equip-*  
2        *ment, or sensitive nuclear technology will be used for any*  
3        *nuclear explosive device or for research on or develop-*  
4        *ment of any nuclear explosive device.*

5        *“(3) Adequate physical security measures will be*  
6        *maintained with respect to such nuclear material or*  
7        *equipment and to any special nuclear material produced*  
8        *through the use thereof.*

9        *“(4) No such nuclear materials, equipment, or sen-*  
10       *sitive nuclear technology, and no special nuclear material*  
11       *produced through the use thereof, will be retransferred*  
12       *to the jurisdiction of any other nation or group of na-*  
13       *tions except under conditions acceptable to the United*  
14       *States. The United States shall not approve such re-*  
15       *transfer unless the nation or group of nations designated*  
16       *to receive such retransfer agrees that it shall be subject to*  
17       *the conditions stated in [subparagraphs (1), (2), (3),*  
18       *and (5).] this subsection.*

19       *“(5) No such nuclear material, and no special*  
20       *nuclear material used in or produced through the use*  
21       *of such nuclear material or equipment will be repro-*  
22       *cessed, and no irradiated fuel elements containing such*  
23       *material removed from a reactor shall be altered in*  
24       *form or content, unless the prior approval of the United*  
25       *States is obtained for such reprocessing or alteration,*

1 or unless in the judgment of the United States, such  
 2 reprocessing or alteration will be under <sup>the auspices of</sup> [other conditions  
 3 ~~nations or groups of nations~~ which are committed to the  
 4 which will advance the United States nonproliferation]  
 5 objective of discouraging the further spread of national  
 6 reprocessing facilities.

7 “(6) The foregoing conditions shall be applied to  
 8 any nuclear material or equipment which is produced  
 9 or constructed in the recipient nation or group of na-  
 10 tions by or through the use of any exported sensitive  
 11 nuclear technology.

12 “b. The Nuclear Regulatory Commission shall not issue  
 13 any export license for nuclear materials or equipment, and  
 14 the Energy Research and Development Administration shall  
 15 not distribute any source or special nuclear material under  
 16 sections 54 and 64 of the Atomic Energy Act of 1954, as  
 17 amended, until the Commission or the Administration, as  
 18 the case may be—

19 “(1) finds that the principles in subsection a. or  
 20 their equivalent, and any other applicable statutory re-  
 21 quirements of the Atomic Energy Act of 1954, as  
 22 amended, will be adhered to by the recipient nation or  
 23 group of nations in a manner acceptable to the United  
 24 States; and

25 “(2) receives advice, in accordance with procedures  
 established under subsection 111 b., that it is the judg-

1     *ment of the Department of State and other concerned*  
2     *executive branch agencies and departments that the pro-*  
3     *posed export would not be inimical to the common defense*  
4     *and security of the United States. In submitting such*  
5     *judgment, the Secretary of State shall specifically ad-*  
6     *dress the extent to which the foregoing criteria are met.*  
7     *In addition, in the event he considers it warranted, he*  
8     *may address the following additional factors, among*  
9     *others:*

10             *“(a) that issuance of the license will materially*  
11             *advance the nonproliferation goals of the United*  
12             *States by encouraging the recipient nation to adhere*  
13             *to the treaty, or to participate in the undertakings*  
14             *contemplated by section 15 of the Nuclear Explosive*  
15             *Proliferation Control Act of 1976;*

16             *“(b) that failure to issue the license would other-*  
17             *wise be seriously prejudicial to the nonproliferation*  
18             *objectives of the United States.*

19             *“c. In the event the Commission, after receiving from*  
20             *the Secretary of State his judgment that the issuance of the*  
21             *proposed export license will not be inimical to the common*  
22             *defense and security, does not, after due consideration and*  
23             *within a reasonable time, issue the proposed license because*  
24             *it is unable to determine that issuance of the license will not*  
25             *be inimical to the common defense and security, or because*

by Executive Order effective  
not less than 30 days after  
its date of promulgation

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Notwithstanding the provisions of Section 57.9. of this  
Act, any such Executive Order shall constitute full  
authorization to export the nuclear material or  
equipment covered thereby.

1 it determines that issuance of the license would be inimical  
2 to the common defense and security, the Commission shall  
3 publicly issue its decision to that effect, and shall submit the  
4 license application to the President. In its decision, which  
5 shall not be a final order for the purpose of section 189 b. of  
6 this Act, the Commission shall explain the basis for its finding,  
7 and shall include any dissenting views of individual Com-  
8 missioners. If, after receiving the proposed license, the Presi-  
9 dent determines that withholding the proposed license would  
10 be seriously prejudicial to the achievement of United States  
11 nonproliferation objectives or otherwise jeopardize the com-  
12 mon defense and security, the President may authorize the  
13 proposed export. The President's authorization shall be ac-  
14 companied by an explanation of the reasons why the export  
15 has been authorized."

Prior to becoming effective, any such Executive Order, together with the explanation required under this subsection, shall be submitted to the Congress and shall be referred to the Joint Committee on Atomic Energy, and a period of thirty calendar days shall elapse. No such Executive Order shall become effective if, during such thirty-day period, a joint resolution is enacted stating in substance that the Congress does not favor the export: provided, that prior to the elapse of the first twenty days of any such thirty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the Executive Order and an accompanying proposed joint resolution stating in substance that the Congress favors, or does not favor, as the case may be, the Executive Order. Any such joint resolution so reported shall become the pending business of the House in question.

16     ~~Sec. 15. (a) The President shall take immediate steps~~  
17     ~~to assure that a maximum effort is made on behalf of the~~  
18     ~~United States promptly upon enactment of this Act to seek~~  
19     ~~to have all nations, including the nuclear-supplier nations~~  
20     ~~commit themselves to international arrangements and other~~  
21     ~~mutual undertakings under which each nation will be com-~~  
22     ~~mitted to adhere to all of the criteria set forth below in all of~~  
23     ~~its international nuclear trade which could be of significance~~  
24     ~~for nuclear explosive purposes;~~

1       (1) assurances shall be received from non-nuclear-  
2       weapon states that IAEA safeguards shall be applied  
3       with respect to all peaceful nuclear activities in, under  
4       the jurisdiction of, or carried out under the control of  
5       that state;

6       (2) assurances shall be received from non-nuclear-  
7       weapon states that no imported or indigenously developed  
8       nuclear materials, equipment, or sensitive nuclear tech-  
9       nology, and no special nuclear material produced through  
10      the use of any imported or indigenously developed nuclear  
11      materials, equipment, or sensitive nuclear technology  
12      will be used for nuclear explosive devices for any purpose  
13      or for research on or development of nuclear explosive  
14      devices for any purpose;

15      (3) assurances shall be received that all nations and  
16      groups of nations will establish and maintain adequate  
17      physical security measures for all of its nuclear activities  
18      to insure protection against acts of theft or sabotage;

19      (4) assurances shall be received from all nations and  
20      groups of nations that no nuclear materials, equipment,  
21      or sensitive nuclear technology, and no special nuclear  
22      material produced through the use of any nuclear ma-  
23      terials, equipment, or sensitive nuclear technology, shall  
24      be transferred by them to the jurisdiction of any other

1 nation or group of nations unless such nation or group  
2 of nations provides the assurances set forth in this sub-  
3 section;

4 (5) assurances shall be received from all nations  
5 or groups of nations either—

6 (i) (A) that they will forego development and  
7 acquisition of nuclear fuel reprocessing and uranium  
8 enrichment facilities on a national basis, and will  
9 place any existing facilities under effective inter-  
10 national auspices, management, and inspection;

11 (B) that no imported nuclear material and no  
12 special nuclear material used in or produced through  
13 the use of any imported nuclear materials, equip-  
14 ment, or sensitive nuclear technology will be reproc-  
15 essed by the recipient nation or group of nations,  
16 and no fuel elements containing such material which  
17 are to be removed from a reactor will be altered in  
18 form or content by the recipient nation or group of  
19 nations, and such material will be returned to an ex-  
20 porting nation or to a facility under effective inter-  
21 national auspices, management, and inspection; and

22 (C) that no indigenously developed nuclear ma-  
23 terial or special nuclear material used in or produced  
24 through the use of any indigenously developed nu-  
25 clear materials, equipment, or sensitive nuclear tech-

1        *nology will be reprocessed by the recipient nation or*  
2        *group of nations, and no irradiated fuel elements*  
3        *containing such nuclear material which are to be*  
4        *removed from a reactor will be altered in form or*  
5        *content by the recipient nation or group of nations,*  
6        *except in a facility of an exporting nation or a*  
7        *facility under effective international auspices, man-*  
8        *agement, and inspection; or*

9                *(ii) sufficient to permit a judgment on the part*  
10        *of the exporting nation that no nuclear material will*  
11        *be reprocessed and that no irradiated fuel elements*  
12        *containing such material will be altered in form or*  
13        *content by the recipient nation or group of nations*  
14        *except under conditions which will minimize the*  
15        *likelihood of national diversion, theft, or sabotage*  
16        *and which will advance the nonproliferation objec-*  
17        *tive of discouraging the further spread of national*  
18        *reprocessing facilities, including assurances to co-*  
19        *operate in providing nuclear fuel services to nations*  
20        *or groups of nations that agree to forego the develop-*  
21        *ment and acquisition of nuclear fuel reprocessing*  
22        *and uranium enrichment facilities on a national*  
23        *basis;*

24        *(6.) assurances shall be received from all non-*  
25        *nuclear weapon states that they will forego the stockpiling*

## STRICTER LICENSING CRITERIA

"Sec. 15(a) The Congress of the United States finds that, in order to prevent the global proliferation of nuclear explosives, it is essential that the United States act immediately and vigorously to seek to achieve from all nations and groups of nations stronger and more comprehensive commitments to adhere to nonproliferation principles, and develop adequate means and mechanisms whereby adherence to such commitments will be ensured. It is the intention of the Congress that such commitments include, but not be limited to, the principles set forth in subsection (b) hereby. When and as the principles set forth in subsection (b) are adopted by other nations groups of nations, they shall become licensing principles applicable to U.S. exports of nuclear materials or equipment. Accordingly:

(1) The President shall take immediate and vigorous steps to seek to have all nations and groups of nations commit themselves to international arrangements or other mutual undertakings under which they shall agree to the principles set forth in subsection (b); and

(2) At such time as any such arrangement or undertaking enters into force, but in no event later than two years following enactment of this Act, the President shall provide a full report to the Congress thereon, together with proposals to amend Section 112. of the Atomic Energy Act to implement such arrangements or undertakings for the United States. Any such report shall include:

(i) details on his progress in obtaining adherence to each of the nonproliferation principles set forth in subsection (b) hereof by other nations and groups of nations;

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(ii) an assessment of the impact of such progress on the non-proliferation goals of the United States; and

(iii) a statement of what legislative modifications, if any, would in his judgment make it feasible to implement all of the revised principles at the earliest possible date.

Upon the effective date of any legislation implementing such arrangements or undertakings, the Commission and the Administration shall apply the principles set forth in such legislation to all of their approvals for the export for civil uses of nuclear materials or equipment.

(b) The principles which the Congress finds to be necessary to fully achieve the purposes of this Act, and which shall be sought from all nations and groups of nations are:

(1) Assurances shall be received from non-nuclear weapon states that IAEA safeguards shall be applied with respect to all peaceful nuclear activities in, under the jurisdiction of, or carried out under the control of that state;

(2) Assurances shall be received from non nuclear-weapon states that no imported or indigenously developed nuclear material, equipment or sensitive nuclear technology will be used for nuclear explosive devices for any purpose or for research on or development of nuclear explosive devices for any purpose;

(3) Assurances shall be received that all nations and groups of nations will establish and maintain adequate physical security measures for all of their nuclear activities;

(4) Assurances shall be received from all nations and groups of nations that no nuclear material, equipment or sensitive nuclear technology and no special nuclear material produced through the use of any nuclear material, equipment or sensitive nuclear technology shall be transferred by them to the jurisdiction of any other nation or group of nations unless such nation or group of nations provides the assurances set forth in this subsection;

(5) Assurances shall be received from all nations and groups of nations that

(A) they will forgo<sup>e</sup> development and acquisition of nuclear fuel reprocessing and uranium enrichment facilities on a national basis, and will place any existing facilities and stockpiles under effective international auspices, management, and inspection;

(B) no imported nuclear material and no special nuclear material used in or produced through the use of any nuclear material equipment or sensitive nuclear technology, will be reprocessed by the recipient country, and no irradiated fuel elements containing such material which are to be removed from a reactor will be altered in form or content by the recipient country, and such material will be returned to the exporting country or to a facility under effective international auspices, management, and inspection; and

(C) no indigenously developed nuclear material or special nuclear material<sup>material</sup> used in or produced through the use of any indigenously developed nuclear material equipment or sensitive nuclear technology will be reprocessed by the recipient country, and no irradiated fuel elements containing such material which are to be removed from a reactor will be altered in form or content by the recipient country, except in a facility under effective international auspices, management, and inspection.

(6) assurances shall be received from all non-nuclear-weapon states that they will forgo<sup>e</sup> the stockpiling of weapons-grade material on a national basis and will place any existing stockpiles under effective international auspices, management and inspection.

1 of weapons-grade material on a national basis and will  
2 place any existing stockpiles under effective international  
3 auspices, management, and inspection.

4 (b) At such time as any international arrangement  
5 or other mutual undertaking contemplated in subsection (a)  
6 has been entered into, the President shall propose such  
7 amendments to section 112 of the Atomic Energy Act of  
8 1954, as amended, as appropriate to take into account the  
9 contents of such arrangement or undertaking. Upon the effec-  
10 tive date of legislation implementing the international ar-  
11 rangements or other mutual undertakings called for in sub-  
12 section (a), the Commission and the Administration shall  
13 apply the criteria set forth in such legislation to all of its ap-  
14 provals of applications for the export for peaceful nuclear  
15 uses of source material and special nuclear material, or any  
16 production or utilization facilities.

17 SEC. 16. Section 109 of the Atomic Energy Act of  
18 1954, as amended, is amended to read as follows:

19 "SEC. 109. COMPONENT AND OTHER PARTS OF FA-  
20 CILITIES.—

21 "a. With respect to those utilization and production  
22 facilities which are so determined by the Commission pursu-  
23 ant to subsection 11 v. (2) or 11 cc. (2), the Commission  
24 may issue general licenses for domestic activities required to  
25 be licensed under section 101, if the Commission determines

1 in writing that such general licensing will not be inimical to  
2 the common defense and security.

3 "b. The Commission is authorized and directed to deter-  
4 mine which component parts as defined in subsection 11 v.  
5 or 11 cc. of the Atomic Energy Act of 1954, as amended,  
6 **and which other items or substances**  
7 <sup>^</sup>that are intended for end-use in a production or utilization  
8 facility, are especially relevant from the standpoint of export  
9 control because of their significance for nuclear explosive  
10 purposes. Except as provided in subsection 112(c), no such  
11 **substance or item**  
12 component, <sup>^</sup>which is so determined by the Commission, shall  
13 be exported unless the Commission issues a general or specific  
14 license for its export, after determining in writing that the  
15 issuance of each such general or specific license will not be  
16 inimical to the common defense and security.

17 "c. The Commission, within not more than one hundred  
18 and twenty days after the date of the enactment of this Act,  
19 shall publish regulations to implement the provisions of this  
20 section. Among other things, these regulations shall provide  
21 for the prior consultation by the Commission with the De-  
22 partment of State, the Energy Research and Development  
23 Administration, and the Arms Control and Disarmament  
24 Agency.

25 "d. The Commission shall not issue an export license  
under the authority of subsection (a) if it is advised by the  
executive branch, in accordance with the procedures estab-

1 lished under subsection 111 b., that the export would be  
2 inimical to the common defense and security of the United  
3 States.

4 "e. The President, within not more than one hundred  
5 and twenty days after the date of the enactment of this Act,  
6 shall publish procedures regarding the control by the Depart-  
7 ment of Commerce over all export items, other than those  
8 licensed by the Commission, which could be, if used for  
9 purposes other than those for which the export is intended,  
10 of significance for nuclear explosive purposes. Among other  
11 things, these procedures shall provide for prior consultation,  
12 as required, by the Department of Commerce with the  
13 Department of State, the Arms Control and Disarmament  
14 Agency, the Nuclear Regulatory Commission, and the En-  
15 ergy Research and Development Administration.

16 CONGRESSIONAL OVERSIGHT OF NUCLEAR EXPORT  
17 ACTIVITIES

18 SEC. 17. (a) The President shall review all activities  
19 of Government departments and agencies relating to pre-  
20 venting the proliferation of nuclear explosive devices and  
21 shall make an annual report to Congress within not more  
22 than one year after the date of enactment of this Act and  
23 annually in January of each year thereafter on the Govern-  
24 ment's efforts to prevent such proliferation. This report is  
25 to include but not be limited to—

1 (1) a description of the progress made toward—

2 (i) negotiating the international arrangements  
3 or other mutual undertakings contemplated in sec-  
4 tions 5 and 15 of this Act;

5 (ii) promoting adherence to the Treaty on the  
6 Non-Proliferation of Nuclear Weapons, and dis-  
7 couraging or prohibiting nuclear exports to nations  
8 that are not parties to the treaty or have not entered  
9 into comparable agreements with respect to safe-  
10 guards and forsaken the development of any nuclear  
11 explosive devices;

12 (iii) strengthening the safeguards of the Inter-  
13 national Atomic Energy Agency as contemplated in  
14 section 5 of this Act; and

15 (iv) accomplishing the initiatives contemplated  
16 in section 5 of this Act;

22 (2) ~~for~~ an assessment of the impact of the progress  
23 described in paragraph (1)  
~~which has been made~~ on the nonproliferation goals of the  
24 United States; and a statement of what legislative modifi-

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1 cations, if any, are necessary in his judgment to achieve  
2 the nonproliferation goals of the United States.

17     ~~(3) (2)~~ an analysis of each civil agreement for coopera-  
18     tion negotiated pursuant to section 123 of the Atomic  
19     Energy Act, including a discussion of the scope <sup>and adequacy</sup> of the  
20     requirements and obligations relating to the safeguards  
21     and other controls contained therein; and

(4) a determination as to which nonnuclear-weapon states with whom the United States has an agreement for cooperation in effect or under negotiation, if any, have--

- (a) exploded a nuclear device of any kind;
- (b) refused to accept the safeguards of the IAEA on all of its nuclear activities; or
- (c) refused to give specific assurances that it will not engage in the development of any nuclear explosive device."

3       (b) The annual reports to the Congress by the Nuclear  
4       Regulatory Commission and the Energy Research and De-  
5       velopment Administration which are otherwise required by  
6       law shall also include recommendations and accomplish-  
7       ments regarding the policies and actions of the United  
8       States to prevent the proliferation of nuclear explosive de-  
9       vices which are the statutory responsibility of those agen-  
10      cies. The Administration's report shall include a detailed  
11      analysis of the implications of advanced enrichment and  
12      reprocessing techniques for the proliferation of nuclear ex-  
13      plosive devices. This part of the report shall include a com-  
14      prehensive version which includes classified information to  
15      be submitted to the Joint Committee on Atomic Energy and  
16      a summary unclassified version.

17       (c) The reporting requirements of this section are in  
18      addition to and not in lieu of any other reporting require-  
19      ments under applicable law.

20       (d) The Department of State, the Arms Control and  
21      Disarmament Agency, and the Department of Commerce  
22      shall keep the Joint Committee, the Committee of Foreign  
23      Relations of the Senate, and the Committee on International  
24      Relations of the House of Representatives, fully and current-

1 ly informed with respect to their activities to effectuate the  
2 purposes and policies of this Act and to otherwise prevent the  
3 proliferation of nuclear explosive devices.

4 (e) Any classified portions of the report required by  
5 subsection (a) shall be submitted to the Joint Committee on  
6 Atomic Energy, the Senate Foreign Relations Committee,  
7 and the House International Relations Committee.

#### 8 AUTHORIZATIONS

9 SEC. 18. (a) There is hereby authorized to be appro-  
10 priated \$2,000,000 for contributions to the International  
11 Atomic Energy Agency toward its safeguards activities,  
12 which amount is authorized to remain available until ex-  
13 pended: Provided, That such sums shall be in addition to  
14 any other contribution to the International Atomic Energy  
15 Agency by the United States pursuant to any other pro-  
16 vision of law.

17 (b) There is hereby authorized to be appropriated to  
18 the Nuclear Regulatory Commission an additional sum of  
19 \$2,500,000 for fiscal year 1977, which sum to remain avail-  
20 able until expended, for the purpose of exercising its export  
21 licensing responsibilities pursuant to this Act.

#### 22 DEFINITIONS

23 SEC. 19. As used in this Act:

24 (a) The term "nuclear fuel services" means uranium

1 enrichment services, nuclear fuel fabrication services or other  
2 services relating to the use of source or special nuclear  
3 material as fuel in a reactor.

4 (b) The term "nuclear materials and equipment" means  
5 source material, special nuclear material, production facili-  
6 ties, and utilization facilities, or export items designated by  
7 the President pursuant to subsection 109 e. of the Atomic  
8 Energy Act of 1954, as amended.

9 (c) The term "physical security measures" means meas-  
10 ures to prevent the theft or sabotage or unauthorized use  
11 of source or special nuclear material.

12 (d) The term "safeguards" means a system of controls  
13 designed to insure that any materials, equipment, compo-  
14 nents, or substances subject thereto are not used to further  
15 any military purposes, including use in or development of  
16 any nuclear explosive device.

17 (e) The term "sensitive nuclear technology" means any  
18 information (including information incorporated in a produc-  
19 tion or utilization facility or important component part there-  
20 of, or in a nuclear-related substance) which is not available  
21 to the public and which is important to the design, construc-  
22 tion, fabrication, operation, or maintenance of a uranium  
23 enrichment or nuclear fuel reprocessing facility, or a facility  
24 for the production of heavy water.

25 (f) All other terms used in this Act shall have the

1 meanings ascribed to them by the Atomic Energy Act of  
2 1954, as amended, the Energy Reorganization Act of 1974,  
3 and the Treaty on the Non-Proliferation of Nuclear Weapons.

4 SAVINGS PROVISION

5 SEC. 20. All orders, determinations, rules, regula-  
6 tions, permits, contracts, agreements, certificates, licenses, and  
7 privileges—

8 (1) which have been issued, made, granted, or  
9 allowed to become effective in the exercise of functions  
10 which are the subject of this Act, by (i) any agency  
11 or office, or part thereof, in exercising the functions  
12 which are affected by this Act, or (ii) any court of  
13 competent jurisdiction; and,

14 (2) which are in effect at the time this Act takes  
15 effect, shall continue in effect according to their terms  
16 until modified, terminated, superseded, set aside, or  
17 repealed as the case may be, by the parties thereto or  
18 by any court of competent jurisdiction.