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JOHN C. STENNIS, MISS.	

United States Senate

COMMITTEE ON
GOVERNMENT OPERATIONS
WASHINGTON, D.C. 20510

September 28, 1976

Dear Colleague:

Attached are a summary and comparative print on the best compromise I have been able to work out with the administration after a week of extensive negotiations on the Nuclear Proliferation Control Act of 1976. The compromise package represents a resolution of the differences between the Pastore Compromise (S. 3770) and the Anderson-Price Bill (H.R. 15419) as reported by the Joint Committee, and incorporates a compromise provision relating to the Nuclear Fuel Assurance Act (S. 2035).

The President has agreed to all of these provisions, with one additional request. He would prefer to see a provision in the section on private uranium enrichment (pg. 50) stating that any legislation reported by the Joint Committee would become the pending business in each House within twenty-five days, and would be voted on within five days thereafter. I would be interested in your views as to whether this provision would be acceptable to you.

If there is agreement to move ahead with this final compromise, I would hope that Senate action could occur early on Wednesday to accommodate the schedules of several interested Senators. My understanding is that the best parliamentary procedure would be for the compromise package to be offered as a substitute amendment--hopefully as a Pastore compromise--to the Foreign Relations Committee substitute to S. 1439. It is hoped that identical language would then be adopted by the House, thus obviating the need for a conference.

Please let me know as soon as possible whether you are interested in becoming an original co-sponsor of this legislation.

Sincerely,

Charles H. Percy
 Charles H. Percy
 United States Senator

*This is the bill
 I discussed with you*

CHP:fce

(50)

now 8/19!
↓

until modified; terminated, superseded, set aside, or repealed as the case may be, by the parties thereto or by any court of competent jurisdiction.

Sec. ~~20~~²¹. a. The Administrator of Energy Research and Development is hereby authorized and directed to initiate construction planning and design, construction, and operation activities for expansion of an existing uranium enrichment facility at the earliest possible date. There is hereby authorized to be appropriated \$255,000,000 for this purpose. Nothing in this Act shall delay the implementation of this subsection.

b. If, after further study, the President determines that it would be in the national interest to enter into cooperative arrangements to encourage the development of a competitive private uranium enrichment industry, he may propose to Congress a detailed plan, including a discussion of the specific terms of any such cooperative arrangement.

c. Any such plan shall be referred to the Joint Committee on Atomic Energy for a period of sixty days (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days). At the expiration of that sixty-day period, the Joint Committee on

(51)

Atomic Energy shall submit a report to the Congress of its views and recommendations respecting the President's proposal, accompanied by any legislation which it feels is necessary to implement those recommendations.

United States Senate

COMMITTEE ON
GOVERNMENT OPERATIONS
WASHINGTON, D.C. 20510

JOHN C. STAFF, JR., CHAIRMAN
JAMES O. EASTON, JR., VICE CHAIRMAN
LEONARD BENTLEY, JR., VICE CHAIRMAN
JOHN C. STAFF, JR., CHAIRMAN

EDWARD P. WICKER, JR., COUNSEL

RICHARD A. WELMAN
CHIEF COUNSEL AND STAFF DIRECTOR

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THE WHITE HOUSE
WASHINGTON

September 29, 1976

1976 SEP 29 PM 5 38

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: BRENT SCOWCROFT
JIM CANNON
JIM LYNN

FROM: JIM CONNOR *JEC*

SUBJECT: NUCLEAR POLICY

Supplementing my memorandum of September 23 and the many discussions held since that date, the President reviewed once again the recently completed study on Nuclear Policy and reconfirmed his initial feelings in the matter, i. e. :

Alt. #3 - Take stand that reprocessing should go ahead domestically and abroad only if safety, safeguards and economic benefits can be demonstrated clearly. Strengthen efforts to control reprocessing spread abroad. Assist in domestic commercial scale reprocessing demonstration. "

Please follow-up with appropriate action.

cc: Dick Cheney

0929/5

In addition, the added enrichment capacity provided by the fourth government-owned plant and one or more commercial enrichment ventures could play an important role beyond filling new orders for future power reactors. That role could include:

First. Achieving the most effective use of available uranium feed resources by reducing the amount of uranium needed to produce a given amount of enriched fuel. This would permit maximum use of existing light water reactors and conservation of our valuable uranium ore resources.

Second. Providing a margin of enrichment capacity to accommodate, at least to some extent, the consequences of an increased demand for enriched uranium in the event that plutonium recycle is not permitted, or, even if it is permitted, to accommodate delays which may be experienced because of a lack of reprocessing capacity.

Third. Providing some alleviation of the possible consequences which will undoubtedly be experienced because of delays in the commercialization of the breeder reactor.

Fourth. Increasing the stockpile of enriched uranium. An increased stockpile could provide added assurances in the event unforeseen problems are encountered in providing needed additional capacity from the centrifuge plants.

Enriched uranium is the only known way to store vast amounts of energy in a form which can eventually be used to produce electricity. In view of the expected increases in the demand for electricity, and the enormous predicted increases in the demand for enriched capacity, a sizable stockpile of nuclear fuel would hardly be contrary to the best interests of this Nation.

All of these potential advantages would come from the prompt enactment of the Nuclear Fuel Assurance Act. For there to be any cooperative arrangement for private participation in uranium enrichment, there must first be congressional approval of the arrangement and congressional appropriation of the amount of the contingent liability on the part of the Government. Thus in addition to the many potential advantages offered by the Nuclear Fuel Assurance Act, the requirement that the Congress will have the final say on the details of any private participation should assure that the national interest is given preeminent consideration.

I know the Senator has made a great study of this issue and the so-called add-on facility in Portsmouth, Ohio. I would ask whether or not these two programs are compatible.

Mr. ALLEN. Will the Senator use his microphone?

Mr. BAKER. The question is whether or not, and I know he is familiar with the whole subject, in his view the requirements for UEA, the Uranium Enrichment Associates project, as dealt with in this legislation, and the so-called add-on facility at Portsmouth, Ohio, are not in fact parallel projects and are both indicated in the requirements for the foreseeable future.

Mr. ALLEN. The add-on facility would not be sufficient to take care of the tremendous demand.

Mr. BAKER. I agree with the Senator, and I wonder if he would not also agree that both facilities are required, and not just one or the other.

Mr. ALLEN. There is a great need for both, and this bill contemplates and makes provisions for the \$255 million for the add-on at the Portsmouth plant. It makes provisions for the private plant providing the contract that ERDA might work out with the private investors would have to be approved by the Congress of the United States.

Mr. BAKER. I see the distinguished Senator from Ohio in the Chamber. I know he will have a comment on this.

Mr. TAFT. Will the Senator yield for a moment?

Mr. BAKER. The Senator from Alabama has the floor.

Mr. TAFT. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. TAFT. As I understand, the situation is that so far as timing is concerned, or the methods of production are concerned, if we are to meet the needs immediately of both the United States and elsewhere in the world it is absolutely essential that we go ahead with the add-on plant to be Government-financed at the Portsmouth site in addition to going ahead with private enterprise for the future needs as well.

Mr. ALLEN. Very definitely, both the add-on and Portsmouth will not be sufficient in this time.

Mr. TAFT. And am I correct that the add-on plant, as I understand, would probably go into production and be available before the newer methods being developed in the alternative?

Mr. ALLEN. That is correct. One point is that, in addition, it would be on stream somewhat earlier than the new plant. But when the new plant came on stream, the need would increase more and more.

Mr. TAFT. I thank the distinguished Senator.

Mr. BAKER. Mr. President, I have one more question, if the Senator will yield for that purpose.

Mr. ALLEN. Yes.

Mr. BAKER. The Senator is aware, I am sure, that the Joint Committee on Atomic Energy has given extensive consideration to this proposal and that the bill was reported from that committee to the Senate and the House of Representatives.

Is it not so, I would ask the Senator from Alabama, that this bill does not authorize a contract with private concerns, but, rather, authorizes the solicitation and production of proposals which would in turn be considered by the Joint Committee on Atomic Energy and Congress before they are actually put into effect?

Mr. ALLEN. The Senator is correct in his statement about the bill.

Mr. BAKER. And this was conducted, was it not, in close coordination with the majority and minority on the committees, and with the administration?

Mr. ALLEN. Yes. I think the joint committee and the authorizing committee

acted with great wisdom in considering the interests of the taxpayers and the Treasury in this regard.

Mr. BAKER. I thank the Senator from Alabama, not only for yielding to me but for his good efforts.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. DURKIN. The distinguished Senator from Alabama mentioned in his statement that there was a nuclear energy engineer on the political scene. Does the Senator not think it would be better to table this measure now, and wait his advice?

Mr. ALLEN. No, I think it would be better to have it ready for him if and when he comes in.

Mr. ROBERT C. BYRD. Mr. President, shortly I shall move to lay on the table the motion offered by the distinguished junior Senator from Alabama (Mr. ALLEN). Does the Senator from South Dakota wish me to yield to him prior to making that motion?

Mr. ALLEN. The Senator from Illinois also wished to say something.

Mr. ROBERT C. BYRD. Yes; I will be glad to yield to him after the Senator from South Dakota.

Mr. ABOUREZK. Perhaps the Senator should yield first to him, and then to me.

Mr. ROBERT C. BYRD. I yield to the Senator from Illinois, with the understanding that I will be recognized by the Chair to make a motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. In view of the fact that the Senator from Rhode Island (Mr. PASTORE) has asked that I explain where we stand on our negotiations on the bill known as the Nuclear Explosive Proliferation Control Act of 1976, I offer this explanation:

In a meeting last week with the President, when several of us, as Senator PASTORE mentioned, met with him, the President made it very clear indeed that he was anxious to have a vote on H.R. 8401. However, he recognized that there was opposition to this bill, and that it is vitally important to pass a nonproliferation bill in this Congress, as three committees of this Congress, over a period of some time—2 years now—have been working on this legislation which is pending on the calendar—the Committee on Government Operations, the Committee on Foreign Relations, and the Joint Committee on Atomic Energy—and taking into account the dramatic change in the world situation, with an explosion in India, the potential for explosive capacity in Taiwan, and the requests of South Korea, Pakistan, Argentina, Brazil, and many other countries to have nuclear capability.

Taking into account the fact it may be difficult to obtain a vote on H.R. 8401 in the Senate, the President and the administration have agreed to a compromise package, which would presumably be offered by Senator PASTORE, at an appropriate time, combining important nonproliferation promises and a further report on the private uranium en-

richment question. I have some reservations about the policy implications of H.R. 8401, and I'm sure my colleagues will agree that this section in the compromise would in no way prejudge the policy questions. I ask unanimous consent to have printed in the RECORD this compromise provision on private enrichment.

There being no objection, the provision was ordered to be printed in the RECORD, as follows:

ADDITIONAL URANIUM ENRICHMENT CAPACITY

Sec. 19. (a) The Administrator of Energy Research and Development is hereby authorized and directed to initiate construction planning and design, construction, and operation activities for expansion of an existing uranium enrichment facility at the earliest possible date. There is hereby authorized to be appropriated \$255,000,000 for this purpose. Nothing in this Act shall delay the implementation of this subsection.

(b) If, after further study, the President determines that it would be in the national interest to enter into cooperative arrangement to encourage the development of a competitive private uranium enrichment industry, he may propose to Congress a detailed plan, including a discussion of the specific terms of any such cooperative arrangement.

(c) Any such plan shall be referred to the Joint Committee on Atomic Energy for a period of sixty days (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days). At the expiration of that sixty-day period, the Joint Committee on Atomic Energy shall submit a report to the Congress of its views and recommendations respecting the President's proposal, accompanied by any legislation which it feels is necessary to implement those recommendations.

Mr. PERCY. The compromise is not quite ready for Senate consideration, as one point is still under discussion. But it is the hope of all of us who have been working on this for so long that we will be able to bring up for action a Nuclear Explosive Proliferation Control Act, and that we may be able to move forward in this area of getting a handle and control on nuclear capacities and capabilities, which are so endangering the world.

Fifty-three witnesses were heard this year alone, and their testimony would convince anyone who heard it that we should move ahead at this time, within a year if not immediately.

The President has made it clear that he would like to see a vote on the pending bill, H.R. 8401, and in the event that is not adopted, then the compromise proposal can be incorporated in the Nuclear Explosive Proliferation Control Act of 1976.

Mr. DURKIN. Mr. President, will the Senator yield for one brief question?

Mr. PERCY. Yes.

Mr. DURKIN. Why, if the President wants a strong antinuclear proliferation treaty, did he not sign the original provision? Why did he not cut that loose, if he truly wants a strong treaty and a strong bill, instead of trying to get justification for his debate on October 6?

Mr. PERCY. It is my hope and expectation that it will be a very strong bill, with a strong new policy, where criteria are established by Congress, where every single agreement we now have will be

renegotiated, taking into account the danger the world actually recognizes we are now facing.

Mr. DURKIN. Why not propose the necessary additions to the original bill?

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. ROBERT C. BYRD. Mr. President, I have the floor. I yield to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ALLEN. The bill the Senator refers to on uranium; that is a Senate bill, I believe.

Mr. PERCY. We are working from a Senate bill.

Mr. ALLEN. I would like to suggest to the Senator that this bill, having cleared both the Senate and the House of Representatives, would stand, from a practical point of view of passing both Houses, a better chance; why would it not be good strategy for the distinguished Senator to support the motion to proceed to the consideration of H.R. 8401, and then add his provision as an amendment?

Mr. PERCY. The answer to that is that in the negotiations that have been carried on intensively, the House has been fully taken into account. Representative JOHN ANDERSON and Representative MEL PRICE have introduced legislation in the House. They are fully conversant with everything the Senate has been doing, and they have advised the Senator from Illinois that if the Senate acts, it would be their hope and intention, if it is as close as they think it will be to their own feeling, that they will introduce it, with the cooperation of the Speaker of the House, and adopt and pass in the House before they adjourn the same bill passed by the Senate, this obviating the need for any conference.

Mr. ALLEN. Let me point out to the Senator that they have already passed H.R. 8401, or it would not be before us. Why put them to the trouble of passing something else, when they have already passed H.R. 8401, which is now before us here in the Senate?

Mr. PERCY. The Senator from Illinois is working with the leadership of three committees. It is our combined judgment that the nonproliferation bill should stand on its own feet, just as I feel that this bill should stand on its own feet and be voted up or down tonight.

Mr. STEVENSON. Mr. President, will the Senator yield so that I may ask the senior Senator from Illinois a question?

Mr. ROBERT C. BYRD. Mr. President, I yield for that purpose.

Mr. STEVENSON. The Senator mentioned that he had been in contact with Representative ANDERSON and others on the House side, and that the House was prepared to act.

Is it not true that the House has already acted on this subject of nuclear nonproliferation by passing H.R. 15419, which was sponsored by Representative FINDLEY of Illinois, Representative ZABLOCKI, and others?

Mr. PERCY. It is my understanding that the House has not yet considered H.R. 15419, which is the Joint Committee's version of the nonproliferation bill.

In fact, the compromise would be added to that bill. It is the expectation that the only chance to have a nonproliferation bill adopted by both the Senate and the House of Representatives and signed by the President is to adopt the compromise, which is in the final stage of being worked out.

Mr. STEVENSON. Let me ask the Senator another question. It is true, I believe, that the House of Representatives has already acted on this subject. By that I mean unilaterally to control U.S. exports of nuclear materials and when it acted on a very strong responsible bill; namely, H.R. 15419.

I ask the Senator, also, if it is not true that the Senate has also acted on this subject and on the multilateral aspects of it in an amendment to the Senate version of the Export Administration Act. That is true. The Senate has acted on the multilateral aspects of this problem and the House of Representatives has acted on the bilateral aspects.

To return to the question, which was asked of the Senator from Illinois by the Senator from Alabama, it would be possible to proceed to a consideration of this subject, and most expeditiously, by approving a motion to table the motion to proceed because if that motion to table is agreed to, it is the intention—in fact, it was an attempt by the Senator from Wisconsin (Mr. PROXMIER) to obtain recognition so that conferees could be appointed and the differences between the Senate and the House bills on this subject reconciled. In fact, conferees have been meeting informally to conform these two bills and have done so, not by accepting one or the other, but by accepting both, in substantially the same forms in which they were approved by the House of Representatives and the Senate, to give the Senate not what the Senator from Illinois proposes but the only strong comprehensive measure that it is possible for this Congress to enact in this session on both the multilateral and the bilateral aspects of this very critical question.

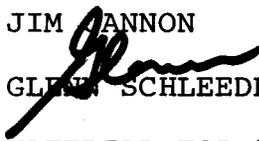
Mr. PERCY. If my distinguished colleague is asking a question, and before the Senator from Rhode Island leaves the floor, because Senator PASTORE is extremely familiar with this legislation, I shall simply say it is the judgment of the Senator from Illinois that the House amendments and the amendments adopted by the Senate do not go nearly as far as the Pastore compromise and the new Pastore compromise that we will have available and ready tomorrow. This compromise deals with the bilateral aspect by actually establishing licensing principles to govern U.S. exports immediately, and with the multilateral aspect by proposing strict, detailed international controls. In addition, the compromise contains many important procedural provisions. This is a comprehensive plan for dealing with the whole problem and we can do so now, we think, with the cooperation and support of the executive branch of Government.

This legislation has been underway for some 2 years and really is a pickup of the work done years and years ago by the distinguished Senator from Rhode Island

REQUEST

THE WHITE HOUSE
WASHINGTON

September 30, 1976

TO: JIM GANNON
FROM:  GLENN SCHLEEDE
SUBJECT: MATERIAL FOR 11AM MEETING
ON NONPROLIFERATION LEGISLATION
IN GEN. SCOWCROFT'S OFFICE

Attached are:

- . Bob Fri's version of the Percy-Fri compromise legislation -- as of last Friday. Tab A.
- . Language Ribicoff is insisting upon (according to Fri's report yesterday) as a substitute for parts of the Percy-Fri bill - Tab B.

The principal issue seems to be whether we are willing to go along with the idea of establishing in law "negotiating goals" that we don't believe are realistic and which we would have some difficulty living within if others did, unexpectedly, decide to go along with them.

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, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Explosive Proliferation Control Act of 1976".

STATEMENT OF POLICY

Sec. 2. The Congress hereby finds and declares that the proliferation of nuclear explosive devices poses a grave threat to vital United States interests and continued international progress toward world peace and development. Recent events, including the explosion of a nuclear device by India and the announcement of the transfer of uranium enrichment and nuclear fuel reprocessing facilities to non-nuclear-weapon states, emphasize the urgency of this threat and the imperative need to increase the scope, comprehensiveness, and effectiveness of international safeguards and controls on peaceful nuclear activities to prevent further proliferation of nuclear explosive devices. Accordingly, it is the policy of the United States to--



(a) actively pursue the establishment of effective international controls over the transfer and use of nuclear equipment, material, and sensitive nuclear technology for peaceful purposes which will prevent the further proliferation of nuclear explosive devices;

(b) ensure that the actions of the United States in international nuclear commerce in helping to assure adequate and reliable energy supplies to other nations are consistent with the Treaty on the Non-Proliferation of Nuclear Weapons ("the treaty"), the Statute of the International Atomic Energy Agency ("the statute"), and the need to establish effective controls on the proliferation of nuclear explosive devices through international arrangements and cooperative agreements; and

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

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of this Act to promote the policies set forth above by ensuring effective control by the United States over its exports of nuclear equipment, materials, and sensitive nuclear technology, by establishing a framework for international cooperation to ensure that the worldwide development of peaceful nuclear activities as well as the export by any nation of nuclear materials, equipment, and sensitive nuclear technology intended for use in peaceful nuclear activities do not contribute to the proliferation of nuclear explosive devices, and by providing incentives to the other nations of the world to join in such international cooperative efforts. Accordingly, this Act specifies--

(a) provisions to ensure the full and comprehensive assessment of the risks of proliferation of nuclear explosive devices in the negotiation and review of agreements for cooperation and subsequent arrangements under such agreements, and of policies affecting the proliferation of nuclear explosive devices;

(b) procedures under which the Congress will receive adequate information and opportunity to examine proposed agreements for cooperation and amendments thereto and to review the policies of the United States affecting the proliferation of nuclear explosive devices;

(c) licensing principles which would be applied immediately to all future exports by the United States of source material, special nuclear material, production facilities, utilization facilities, and sensitive nuclear technology intended for use in peaceful nuclear activities and which could be of significance for nuclear explosive purposes;

(d) preferential treatment in the provision of nuclear fuel services to nations which agree to adhere to policies designed to prevent the proliferation of nuclear explosive devices;

(e) mutual undertakings or other international arrangements which the United States shall seek to negotiate with other nations including the nuclear supplier nations to establish--

(1) effective international proliferation controls and supervision to assure that nuclear materials, equipment, and sensitive nuclear technology which are intended for use in peaceful nuclear activities do not contribute to the development of nuclear explosive devices;

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

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

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

UNITED STATES INITIATIVES FOR INTERNATIONAL NUCLEAR COOPERATION

SEC. 4. The United States, as a matter of national policy, shall take such actions and institute such measures as may be necessary and feasible to assure other nations and groups of nations which may seek to utilize the benefits of atomic energy for peaceful purposes, including the generation of electricity, that it will provide a reliable supply of nuclear fuel services to those nations or groups of nations which adhere to policies designed to prevent the proliferation of nuclear explosive devices. Such nuclear fuel services shall be provided under agreements entered into pursuant to section 161 of the Atomic Energy Act of 1954, as amended, or as otherwise authorized by law. The United States will make its best efforts to assure that it will have available the capacity to carry out this policy on a long-term basis. The United States, as a matter of national policy, and within a reasonable time, shall issue licenses for, or otherwise authorize the export of nuclear materials and equipment, upon a determination that all the applicable statutory requirements are met.

SEC. 5. The United States shall institute immediate initiatives--

(a) to seek to negotiate with other nations, including the nuclear supplier nations, one or more mutual undertakings or other international arrangements to--

(1) assure that nuclear materials, equipment and sensitive nuclear technology intended for use in peaceful nuclear activities shall be transferred internationally only to nations or groups of nations which afford undertakings in compliance with the principles set forth in section 15(b) of this Act sufficient to ensure that such materials, equipment, and sensitive nuclear technology will not be used in, or for the purposes of developing any nuclear explosive devices;

(2) advance the objective of preventing the proliferation of nuclear explosive devices by limiting the further spread of national uranium enrichment and reprocessing facilities and through all other appropriate means until such time as undertakings in compliance with the principles set forth in subsection 15(b) of this Act are obtained;

(3) require that special nuclear material exported by or in the possession of the parties to any such international arrangements or other mutual undertakings, and that all special nuclear material produced in or through the use of any nuclear material or equipment transferred internationally by such parties, be subject to adequate physical security measures to ensure their protection against acts of terrorism, sabotage, and theft;

(4) establish international standards of physical security and effective provision for application thereof;

(5) adopt general principles and procedures to be followed in the event that any nation violates the principles of the treaty, whether or not such nation is a party to the treaty, or any material obligation with respect to the peaceful use of nuclear materials, equipment or sensitive nuclear technology; and

(6) establish international procedures for recovering nuclear materials that have been stolen, or obtained or used by a nation or by any person or group in contravention of the principles of the treaty;

(b) to assure all nations of the world that the United States, as a matter of national policy, will not act in a manner which would reduce the comprehensiveness or effectiveness of international safeguards or physical security guidelines adopted or agreed to by all nuclear supplier nations;

(c) to assure all nations of the world that the United States, as a matter of national policy, is committed to a strong and effective IAEA and to a comprehensive safeguards system administered by that agency to prevent the further proliferation of nuclear explosives. Accordingly, the United States will continually seek to act with other nations to strengthen the IAEA through contribution of technical resources, support, funding, and by--

(1) continuing to strengthen the safeguards program of the IAEA and, in order to implement this initiative, contribute funds to assist the IAEA in effectively implementing safeguards at this time when international utilization of nuclear power for growing

energy needs is rapidly increasing;

(2) assuring that the IAEA has the resources to carry out the provisions of article XII ("Agency Safeguards") of the statute, including support needed to provide for the storage under international supervision of plutonium and other special nuclear material which is sensitive from the standpoint of preventing the proliferation of nuclear explosive devices;

(3) improving the IAEA safeguards system (including accountability) to ensure--

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

(ii) the timely dissemination of information regarding such diversion; and

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

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

(d) consistent with the policies of this Act, to devise feasible approaches for the development under effective international auspices and management of facilities for the provision of nuclear fuel services and the storage of irradiated source and special nuclear material and weapons-grade material, and the possible location of such facilities at specific sites.

(e) to seek renegotiation of agreements for cooperation where warranted to promote United States nonproliferation interests.

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

SAFEGUARDS TRAINING PROGRAM AND STUDIES

SEC. 7. The Energy Research and Development Administration, in consultation with the Nuclear Regulatory Commission, shall establish and operate a safeguards and physical security training program to be made available to persons from countries which have, or may be expected to develop or acquire nuclear materials or equipment for use for peaceful purposes. Any such program shall include training in the most advanced safeguards and physical security techniques and technology, consistent with national security interests of the United States.

CLARIFICATION OF EXPORT FUNCTIONS

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

(a) by deleting the introductory words thereof before the words "proposed agreement shall include" and substituting therefor the following: "the proposed agreement for cooperation has been submitted to the President, which";

(b) by amending subsection 123 a. (3) by inserting a comma after the words "military purpose" and adding the words "or for any nuclear explosive device for any purpose whatsoever"; and

(c) by deleting the semicolon at the end of subsection 123 a. (4) and inserting the following: "and (5) except in the case of agreements for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c., a guaranty by the cooperating party that, upon the request of the Government of the United States, the cooperating party will consult with the Government of the United States for the purpose of determining whether the terms and conditions thereof relating to safeguards, other control mechanisms, and any peaceful use assurances contained therein should be amended. Except 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 negotiated by the Secretary of State, with the technical assistance and concurrence of the Administrator of Energy Research and Development, and shall be submitted to the President 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 views and recommendations of the Secretary of State, the Administrator, and the Director of the Arms Control and Disarmament Agency. The Director of the Arms Control and Disarmament Agency shall also provide to the President a Nuclear Proliferation Assessment Statement, which shall be unclassified, regarding the adequacy of the safeguards and other control mechanisms and the peaceful use assurances contained in the agreement for cooperation to ensure 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 of the Atomic Energy Act of 1954, as amended, made by this Act, shall not affect the authority to continue to cooperate pursuant to agreements for cooperation entered into prior to the effective date of this Act.

(b) In the first sentence of subsection 123 d. of the Atomic Energy Act of 1954, as amended, strike out all after the words "has been submitted to the Congress" and insert in lieu thereof the following:

"together with the Nuclear Proliferation Assessment Statement prepared by the Director of the Arms Control and Disarmament Agency, and referred jointly to the Joint Committee on Atomic Energy for its consideration of such matters as fall within its jurisdiction under section 202 of this Act and to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate for their consideration of all other matters and a period of sixty days has elapsed while Congress is in session (in computing such sixty days there shall be excluded the days on which either House is not in session because of an adjournment of more than three days), but any such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation: Provided, That prior to the elapse of the first forty-five days of any such sixty-day period such committees shall submit reports to the Congress of their views and recommendations respecting the proposed agreement, and an accompanying proposed concurrent resolution stating in substance that

the Congress favors, or does not favor, as the case may be, the proposed agreement for cooperation".

(c) The last sentence of such subsection 123. d. is amended by striking out "twenty-five" and inserting in lieu thereof "ten".

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

"e. Following submission of a proposed agreement for cooperation (except an agreement for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c.) to the Joint Committee on Atomic Energy, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives; the Nuclear Regulatory Commission, 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, promptly furnish to those committees their views as to whether the safeguards and other controls contained therein provide an adequate framework to ensure that the export of any nuclear materials or equipment as contemplated by such agreement, will not be inimical to or constitute an unreasonable risk to the common defense and security."

SEC. 11. Prior to entering into any subsequent arrangements under an agreement for cooperation other than an agreement for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c. of the Atomic Energy Act of 1954, as amended, the Energy Research and Development Administration shall obtain the concurrence of the Secretary of State and shall consult with and take into full consideration the recommendations of other concerned agencies and departments, including the Nuclear Regulatory Commission and the Arms Control and Disarmament Agency, to assure

that the subsequent arrangements are consistent with the agreement for cooperation and the policy of preventing the proliferation of nuclear explosive devices. For purposes of this subsection, the term "subsequent arrangements" shall include: contracts for the furnishing of nuclear materials or equipment; approvals for the reexport of nuclear materials or equipment previously exported pursuant to an agreement for cooperation; authorization for the distribution of nuclear materials or equipment pursuant to the Atomic Energy Act; arrangements for physical security; arrangements for the reprocessing or storage of irradiated nuclear fuel; arrangements for the application of safeguards with respect to United States supplied source material, special nuclear material, production facilities, or utilization facilities; or any other arrangement which the President finds to be important from the standpoint of preventing the proliferation of nuclear explosive devices.

SEC. 12. Section 54 a. of the Atomic Energy Act of 1954, as amended, is amended, by inserting the following as the second sentence thereof: "The authority of the Energy Research and Development Administration to distribute special nuclear material under this section other than under an export license granted by the Nuclear Regulatory Commission shall extend only to small quantities of special nuclear material (in no event more than five hundred grams per year of contained special nuclear material to any recipient): (1) which are contained in laboratory samples, medical devices, or monitoring or other instruments; or (2) the distribution of which is needed to deal with an emergency situation in which time is of the essence."

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

"b. It shall be unlawful for any person to directly or indirectly engage in the production of any special nuclear material outside of the United States except (1) under an agreement for cooperation made pursuant to section 123, or (2) upon authorization by the Administrator of Energy Research and Development after a determination that such activity will not be inimical to the interest of the United States: Provided, That any such determination by the Administrator shall be made only after consultation with the Department of State, the Arms Control and Disarmament Agency and the Nuclear Regulatory Commission under mutually-agreed-to procedures which shall be established within not more than ninety days after the date of enactment of this proviso. Any trade secrets or proprietary information submitted by any person seeking an authorization under this subsection shall be afforded the maximum degree of protection allowable by law."

SEC. 14. Chapter 10 of the Atomic Energy Act of 1954, as amended, is amended by adding thereto the following sections:

"SEC. 111. EXPORT LICENSING PROCEDURES.--

"a. Following enactment of this section, no license may be issued by the Commission for the export of any production or utilization facility, or any source material or special nuclear material, and no exemption from any requirement for such an export license may be granted by the Commission, until the Commission has furnished a copy of such application or proposed exemption to the Secretary of State, and has been notified by the Secretary of State that, in his judgment, the issuance of the license or grant of

"(1) IAEA safeguards as required by Article III (2) of the treaty shall be applied with respect to such material or equipment and to any special nuclear material produced through the use of thereof.

"(2) No such material, equipment, or sensitive nuclear technology, and no special nuclear material produced through the use of such materials, equipment, or sensitive nuclear technology will be used for any nuclear explosive device or for research on or development of any nuclear explosive device.

"(3) Adequate physical security measures will be maintained with respect to such material or equipment and to any special nuclear material produced through the use thereof.

"(4) No such materials, equipment, or sensitive nuclear technology, and no special nuclear material produced through the use thereof, will be retransferred to the jurisdiction of any other nation or group of nations except under conditions acceptable to the United States. The United States shall not approve such retransfer unless the nation or group of nations designated to receive such retransfer agrees that it shall be subject to the conditions stated in this subsection.

"(5) No such material, and no special nuclear material used in or produced through the use of such material or equipment will be reprocessed, and no irradiated fuel elements containing such material removed from a reactor shall be altered in form or content, unless the prior approval of the United States is obtained for such reprocessing or alteration, or unless such reprocessing or alteration will be under other conditions acceptable to the United States.

"(6) The foregoing conditions shall be applied to any such material or equipment which is produced or constructed in the recipient nation or group of nations by or through the use of any exported sensitive nuclear technology.

"b. The Nuclear Regulatory Commission shall not issue any export license for source material, special nuclear material, production or utilization facilities, and the Energy Research and Development Administration shall not distribute any source or special nuclear material under sections 54 and 64 of the Atomic Energy Act of 1954, as amended, until the Commission or the Administration, as the case may be--

"(1) finds that the principles in subsection a. or their equivalent, and any other applicable statutory requirements of the Atomic Energy Act of 1954, as amended, will be adhered to by the recipient nation or group of nations in a manner acceptable to the United States; and

"(2) receives advice, in accordance with procedures established under subsection 111 b., that it is the judgment of the Department of State and other concerned executive branch agencies and departments that the proposed export would not be inimical to the common defense and security of the United States. In submitting such judgment, the Secretary of State shall specifically address the extent to which the foregoing principles are met. In addition, in the event he considers it warranted, he may address the following additional factors, among others:

(a) that issuance of the license will materially advance the nonproliferation goals of the United States by encouraging the recipient nation to adhere to the treaty, or to partici-

pate in the undertakings contemplated by Section 5 of the Nuclear Explosive Proliferation Control Act of 1976;

(b) that failure to issue the license would otherwise be seriously prejudicial to the nonproliferation objectives of the United States.

"c. In the event the Commission, after receiving from the Secretary of State his judgment that the issuance of the proposed export license will not be inimical to the common defense and security, does not, after due consideration and within a reasonable time, issue the proposed license because it is unable to determine that issuance of the license will not be inimical to the common defense and security, or because it determines that issuance of the license would be inimical to the common defense and security, the Commission shall publicly issue its decision to that effect, and shall submit the license application to the President. In its decision, which shall not be a final order for the purpose of section 189 b. of this Act, the Commission shall explain the basis for its finding and shall include any dissenting views of individual Commissioners. If, after receiving the proposed license, the President determines that withholding the proposed license would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security, the President may, by Executive Order, authorize the proposed export.

[Insert Congressional Review and Joint Resolution Procedure] The President's authorization shall be accompanied by an explanation of the reasons why the export has been authorized. Notwithstanding the provisions of Section 57 a. of this Act, any such Executive Order shall constitute full authorization to export the nuclear material or equipment covered thereby.

"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) hereof. When and as the principles set forth in subsection (b) are adopted by other nations and groups of nations, they shall become licensing principles applicable to U.S. exports of source material, special nuclear material, production facilities, utilization facilities, and sensitive nuclear technology, through the procedures set forth below. 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. In the event the President is unable to obtain mutual undertakings or international arrangements

with other supplier nations to achieve one or more of the non-proliferation commitments set forth in subsection (b) hereof, because of the unwillingness of one or more such supplier nations to assent to such commitment or commitments, the President shall so report to the Congress. His report shall specifically identify the precise reasons why such assent has not been obtained, and shall set forth detailed recommendations with respect to appropriate measures to encourage assent to such nonproliferation commitments;

(ii) an assessment of the impact of such progress on the nonproliferation 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 in their consideration of all exports for civil uses of source material, special nuclear material, production facilities, utilization facilities, and sensitive nuclear technology which require their approval.

(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 with respect to their peaceful nuclear activities, and from all nuclear exporting nations with respect to their international nuclear trade, 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 those states;

(2) Assurances shall be received from non nuclear-weapon states that except as permitted in the treaty no nuclear material, equipment or sensitive nuclear technology in, under the jurisdiction of, or under the control of those states 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 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 in, under the jurisdiction of, or under the control of those nations or groups of nations 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 forego development and acquisition of nuclear fuel reprocessing and uranium enrichment facilities on a national basis, and will place any existing facilities under effective international auspices, management, and inspection;

"b. The Commission is authorized and directed to determine which component parts as defined in subsections 11 v. or 11 cc. of the Atomic Energy Act of 1954, as amended, and which other items or substances that are intended for end-use in a production of utilization facility, are especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes. Except as provided in section 112. (c), no such component, substance, or item which is so determined by the Commission shall be exported unless the Commission issues a general or specific license for its export, after determining in writing that the issuance of each such general or specific license will not be inimical to the common defense and security.

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

"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 established under subsection 111 b., that the export would be inimical to the common defense and security of the United States.

"e. The President, within not more than one hundred and twenty days after the date of the enactment of this Act, shall publish procedures regarding the control by the Department of Commerce over all export items, other than those licensed by the Commission, which could be, if used for purposes other than those for which the export is intended, of sig-

(B) no source or special nuclear material in, under the jurisdiction of, or under the control of those nations or groups of nations will be reprocessed, and no irradiated fuel elements containing such material which are removed from a reactor will be altered in form or content, except in a facility under effective international auspices, management, and inspection, and, where appropriate, such irradiated fuel elements shall be stored in a facility under effective international auspices, management and inspection;

(C) the foregoing shall not affect military-related activities of nuclear-weapons states otherwise permitted under the treaty;

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

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

"SEC. 109. COMPONENT AND OTHER PARTS OF FACILITIES.--

"a. With respect to those utilization and production facilities which are so determined by the Commission pursuant to subsection 11 v. (2), /or 11 cc. (2) the Commission may issue general licenses for domestic activities required to be licensed under section 101, if the Commission determines in writing that such general licensing will not be inimical to the common defense and security.

nificance for nuclear explosive purposes. Among other things, these procedures shall provide for prior consultation, as required, by the Department of Commerce with the Department of State, the Arms Control and Disarmament Agency, the Nuclear Regulatory Commission, and the Energy Research and Development Administration.

CONGRESSIONAL OVERSIGHT OF NUCLEAR EXPORT

ACTIVITIES

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

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

(i) negotiating the international arrangements or other mutual undertakings contemplated in sections 5 and 15 of this Act;

(ii) promoting adherence to the Treaty on the Nonproliferation of Nuclear Weapons, and discouraging or prohibiting nuclear exports to non-nuclear-weapon states that are not parties to the treaty or have not entered into comparable agreements with respect to safeguards and forsaken the development of any nuclear explosive devices;

(iii) strengthening the safeguards of the International Atomic Energy Agency as contemplated in section 5 of this Act; and

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

(2) an assessment of the impact of the progress described in paragraph (1) on the nonproliferation goals of the United States; and a statement of what legislative modifications, if any, are necessary in his judgment to achieve the nonproliferation goals of the United States;

(3) an analysis of each civil agreement for cooperation negotiated pursuant to section 123 of the Atomic Energy Act, including a discussion of the scope and adequacy of the requirements and obligations relating to the safeguards and other controls contained therein; and

(4) a determination as to which non-nuclear-weapon states with which 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 peaceful nuclear activities; or

(c) refused to give specific assurances that it will not engage in the development of any nuclear explosive device."

(b) The annual reports to the Congress by the Nuclear Regulatory Commission and the Energy Research and Development Administration which are otherwise required by law shall also include recommendations and accomplishments regarding the policies and actions of the United States to prevent the proliferation of nuclear explosive devices which are the statutory responsibility of those agencies. The Administration's report shall include a detailed analysis of the implications of advanced enrichment and repro-

cessing techniques for the proliferation of nuclear explosive devices. This part of the report shall include a comprehensive version which includes classified information to be submitted to the Joint Committee on Atomic Energy and a summary unclassified version.

(c) The reporting requirements of this section are in addition to and not in lieu of any other reporting requirements under applicable law.

(d) The Department of State, the Arms Control and Disarmament Agency, and the Department of Commerce shall keep the Joint Committee, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives, fully and currently informed with respect to their activities to effectuate the purposes and policies of this Act and to otherwise prevent the proliferation of nuclear explosive devices.

(e) Any classified portions of the reports required by this Act shall be submitted to the Joint Committee on Atomic Energy, the Senate Foreign Relations Committee, and the House International Relations Committee.

AUTHORIZATIONS

SEC. 18. (a) There is hereby authorized to be appropriated \$2,000,000 for contributions to the International Atomic Energy Agency toward its safeguards activities, which amount is authorized to remain available until expended: Provided, That such sums shall be in addition to any other contribution to the International Atomic Energy Agency by the United States pursuant to any other provision of law;

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

ADDITIONAL URANIUM ENRICHMENT CAPACITY

SEC. 19. (a) The Administrator of Energy Research and Development is hereby authorized and directed to initiate construction planning and design, construction, and operation activities for expansion of an existing uranium enrichment facility at the earliest possible date. There is hereby authorized to be appropriated \$255,000,000 for this purpose. Nothing in this Act shall delay the implementation of this subsection.

(b) If, after further study, the President determines that it would be in the national interest to enter into cooperative arrangement to encourage the development of a competitive private uranium enrichment industry, he may propose to Congress a detailed plan, including a discussion of the specific terms of any such cooperative arrangement.

(c) Any such plan shall be referred to the Joint Committee on Atomic Energy for a period of sixty days (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days). At the expiration of that sixty-day period, the Joint Committee on Atomic Energy shall submit a report to the Congress of its views and recommendations respecting the President's proposal, accompanied by any legislation which it feels is necessary to implement those recommendations. Any such legislation so reported shall become the pending business of the House in question (in the case of the Senate, the time for debate shall be equally divided between the proponents and the opponents) within twenty-five days and shall be voted on within five calendar days thereafter, unless such House shall otherwise determine.

DEFINITIONS

SEC. 20. As used in this Act:

(a) The term "nuclear fuel services" means uranium enrichment services, nuclear fuel fabrication services or other services relating to the use of source or special nuclear material as fuel in a reactor.

(b) The term "nuclear materials and equipment" means source material, special nuclear material, production facilities, utilization facilities, and items or substances determined to have significance for nuclear explosive purposes pursuant to subsection 109 b. or e. of the Atomic Energy Act of 1954, as amended.

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

(d) The term "safeguards" means a system of controls designed to ensure that any materials, equipment, components, or substances subject thereto are not used to further any military purposes, including use in or development of any nuclear explosive device.

(e) The term "sensitive nuclear technology" means any information (including information incorporated in a production or utilization facility or important component part thereof, or in a nuclear-related substance) which is not available to the public and which is important to the design, construction, fabrication, operation or maintenance of a uranium enrichment or nuclear fuel reprocessing facility, or a facility for the production of heavy water.

(f) All other terms used in this Act shall have the meanings ascribed to them by the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, and the Treaty on the Nonproliferation of Nuclear Weapons.

SAVINGS PROVISION

SEC. 21. All orders, determinations, rules, regulations, permits, contracts, agreements, certificates, licenses, and privileges--

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

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

Section 14, subparagraph 112(a)(5)---Phase I

(5) No such material, and no special nuclear material used in or produced through the use of such material or equipment will be reprocessed, and no irradiated fuel elements containing such material removed from a reactor shall be altered in form or content, unless the prior approval of the United States is obtained for such reprocessing or alteration; Provided, that the IAEA shall not be required to obtain the prior approval of the United States if such reprocessing or alteration will be performed under conditions acceptable to the United States;

NOT ACCEPTABLE

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

(A) no source or special nuclear material in, under the jurisdiction of, or under the control of any nation or group of nations will be enriched or reprocessed, no irradiated fuel elements containing such material which are to be removed from a reactor will be altered in form or content, no fabrication involving weapons-grade material shall be performed, and no weapons-grade material will be stockpiled except in a facility (or in a facility involving the participation of a nuclear supplier nation) in a major nuclear supplier nation, which has been placed under effective international auspices, management, and inspection, and any such irradiated fuel elements shall be transferred to such a facility as soon as possible after removal from a reactor consistent with safety requirements;

(B) any facilities in, under the jurisdiction of, or under the control of any nation or group of nations for the necessary short-term storage of fuel elements containing weapons-grade material prior to placement in a reactor or of irradiated fuel elements prior to transfer as required in subparagraph (A) shall be placed under effective international auspices, management, and inspection; and

(C) any transfer of weapons-grade material, fuel elements containing weapons-grade material, or irradiated fuel elements shall be conducted under international auspices, management, and inspection.

Nothing in this paragraph shall affect military-related activities

Section 15 (continued)

of nuclear weapons states otherwise permitted under the Treaty.

Definitions -- to be in floor statement.

The term "[major] nuclear supplier nations" means Canada, China, France, Germany, Japan, the Soviet Union, the United Kingdom, and the United States.

TAB B

Section 14, subparagraph 112(a)(5)---Phase I

(5) No such material, and no special nuclear material used in or produced through the use of such material or equipment will be reprocessed, and no irradiated fuel elements containing such material removed from a reactor shall be altered in form or content, unless the prior approval of the United States is obtained for such reprocessing or alteration; Provided, that the IAEA shall not be required to obtain the prior approval of the United States if such reprocessing or alteration will be performed under conditions acceptable to the United States;

NOT ACCEPTABLE

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

(A) no source or special nuclear material in, under the jurisdiction of, or under the control of any nation or group of nations will be enriched or reprocessed, no irradiated fuel elements containing such material which are to be removed from a reactor will be altered in form or content, no fabrication involving weapons-grade material shall be performed, and no weapons-grade material will be stockpiled except in a facility (or in a facility involving the participation of a nuclear supplier nation) in a major nuclear supplier nation, which has been placed under effective international auspices, management, and inspection, and any such irradiated fuel elements shall be transferred to such a facility as soon as possible after removal from a reactor consistent with safety requirements;

(B) any facilities in, under the jurisdiction of, or under the control of any nation or group of nations for the necessary short-term storage of fuel elements containing weapons-grade material prior to placement in a reactor or of irradiated fuel elements prior to transfer as required in subparagraph (A) shall be placed under effective international auspices, management, and inspection; and

(C) any transfer of weapons-grade material, fuel elements containing weapons-grade material, or irradiated fuel elements shall be conducted under international auspices, management, and inspection.

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Section 15 (continued)

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