

August 7, 1974

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed S. 3669 which authorizes the Atomic Energy Commission to transfer to foreign nations special nuclear materials in excess of existing statutory ceilings subject to disapproval within 60 days by a concurrent resolution of the Congress, extends the system of rewards for information on illegal uses of special nuclear materials clarifies authority for a clearance program for persons having access to such materials, permits the exemption from licensing requirements of certain classes or quantities of special nuclear materials upon special findings as to risk, clarifies authority for approved States to license the use of nuclear materials, and extends the existing authority of AEC to require compulsory licensing of nuclear patents.

This bill amends the Atomic Energy Act of 1954 and the Atomic Weapons Rewards Act of 1955 in a number of ways -- most of which were proposed by AEC.

Atomic Weapons and Special Nuclear
Materials Rewards Act

The bill amends the Atomic Weapons Rewards Act of 1955 to change its title and to establish a system of rewards for information concerning the actual illegal introduction, manufacture, or acquisition of nuclear materials or weapons. Previously, the Act applied only to attempts to introduce, manufacture, or acquire such material.

The bill extends the Act to cover the export or attempt to export such materials and to cover conspiracies to introduce, manufacture, acquire, or export such materials. It also embodies in the Act a change made by Reorganization Plan No. 4 of 1965, to place the determination of the entitlement of a reward in the Attorney General, rather than in an interagency Awards Board.

The Atomic Energy Act of 1954

The bill clarifies the authority of the AEC to institute measures to control and approve persons who have access to, or control over, substantial amounts of nuclear material. Under a recent Supreme Court decision, the authority over access to materials is in doubt, although the control over access to information is clear. These changes will clarify AEC's authority over access to nuclear materials and aid in protecting nuclear material and nuclear weapons from diversion to unauthorized uses.

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The bill clarifies the authority of States, having a federally-approved program, to license persons for the distribution of nuclear byproduct material, which is useful in a great many commercial activities. As currently worded, present law may be read to limit such distribution only to persons with Federal licenses. Since the AEC carefully evaluates a State's nuclear program before approving it, protection against misuse of such materials should be sufficient.

S. 3669 authorizes the AEC to exempt from licensing requirements certain classes, quantities, or kinds of uses or users of special nuclear materials; e. g., nuclear-powered cardiac pacemakers. Exemptions would be allowed after a finding by the AEC that they would not endanger national security or unreasonably risk public health and safety.

If materials are exempt under the above authority or if plutonium-238 is involved, the bill authorizes the AEC to issue export licenses even though there is no agreement for cooperation with the receiving nation.

The bill amends the Act to provide that AEC's proposals to increase the existing statutory ceilings or change the duration or conditions for transferring special nuclear materials to the International Atomic Energy Agency or to other groups of nations would have to be submitted to the Congress. If Congress did not pass within 60 days of continuous session a concurrent resolution disapproving such a proposal, the change would go into effect. Currently, an act of Congress is required to make such changes. This provision would allow more flexibility in the administration of such transfers.

S. 3669 extends for five years, until September 1, 1979, the AEC's existing authority to require the nonexclusive licensing of any privately owned patent if it finds that: (1) the invention is of "primary importance" in the production or utilization of special nuclear material or atomic energy; and (2) the licensing is of "primary importance" to effectuate the policies and purposes of the Atomic Energy Act. The Commission did not request this provision but supported its inclusion.

The AEC would then be empowered to use the invention itself or require its licensing to others upon payment of a reasonable royalty fee. While this power has never been used, it could be important if companies which have developed a substantial amount of knowledge and experience with public assistance should refuse to share their expertise with others.

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