

2011 CARNEGIE INTERNATIONAL NUCLEAR POLICY CONFERENCE

U.S. NUCLEAR COOPERATION: HOW AND WITH WHOM?

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Transcript by Federal News Service

Washington, D.C.

[00:00:44]

HIBBS: Good morning. It's 9:03. And we're, this morning, going to have a discussion on the current state and future of America's nuclear cooperation agreements with its foreign partners – a very timely topic, given what has happened in the nuclear arena in the last 10 years, the expectations of our partners in the area of nuclear cooperation in what – in a situation where we're going to be having greater nuclear expectations and greater cooperation, what our partners want from us in this regard and what we can afford to give them and the international context in which this is all taking place.

Many of you are, I'm sure, quite familiar with the debates – and mini-debates, if you will – that have raged around the Congress and the executive branch over the last several years about the direction of these issues. So without further ado, I will introduce our panelists. We have, on my far left, Scott Snyder, who is the director of the center on U.S.-Korean affairs and a senior associate at the Asia Foundation.

And then we have Ambassador Alkaabi, who is the UAE's ambassador and permanent representative to international organizations in Vienna – am I correct – in Vienna, Austria. And then on my right, we have Richard Stratford, who is the, if you will, institutional memory of our entire nuclear cooperation negotiations and agreements at the Department of State. So we will begin with Dick Stratford. The floor is yours.

[00:02:58]

STRATFORD: Thank you, Mark. I'm Dick Stratford. I head an office called nuclear energy, safety and security. And in practice, that means that we're responsible for all of the diplomatic aspects of peaceful nuclear energy affairs, which means I don't do Iran. I don't do Syria. I don't do North Korea. But almost everything else in the nuclear area falls to us.

We handle nuclear export controls, including the Nuclear Suppliers Group and the Zangger Committee. We handle physical protection. We're the people the Japanese looked to for the MOX voyages. We're helping to build a regulatory infrastructure in Iraq. We look after bilateral relations with a number of countries. And we're the people who look after fuel assurances and fuel banks.

We're also the people who negotiate so-called 123 Agreements for Peaceful Nuclear Cooperation – so-called because of section 123 of the Atomic Energy Act. In the old days, we had pretty much total charge of what went into a nuclear cooperation agreement. In 1978, the Congress passed the Nuclear Nonproliferation Act of 1978, which was partially aimed at tightening up conditions for U.S. peaceful nuclear cooperation.

And Congress said, here are nine paragraphs, each one of which requires safeguards, a consent right, physical protection, et cetera, eight of which have to be in all agreements. And the last one, which deals with sensitive nuclear technology, is not normally in agreements because our agreements don't normally allow us to pass sensitive nuclear technology.

A lot has been happening and a lot is on the plate. Why is a lot on the plate? Well, the answer is that when Congress passed the act in '78, besides saying, here's the requirements for new agreements, Congress also said to the president, I want you to go out and I want you to renegotiate all your agreements to bring them up to the new standard. And a large number of agreements were negotiated in the early 1980s and given a 30-year term.

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Now, these days, we don't give 30-year terms. It's essentially unlimited. It's a term and then it just keeps rolling over. But all of those agreements don't roll over, which means they either have to be extended with a simple one line and send it to Congress or, if they're pre-1978, they have to be renegotiated to bring them up to par.

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What's been happening? Well, most recently, Australia. We redid the U.S.-Australia agreement and sent it to the Congress last year. We almost did not get the 90 days of continuous session that is required for congressional review by both houses. Now, continuous session is a term of art, which I won't define, but 90 days of continuous session can be six to seven calendar months. We almost ran out but thanks to a long lame-duck session, the Australia agreement – new Australia agreement – is now in effect.

And that's important because Australia provides roughly 20 percent of the uranium used by the United States. And we had calculated that a five-month lapse would have economic consequences of roughly \$200 million. Now, I say five months because if we had to resubmit it in early 2011, then it would have taken a while.

Russia – the Russia agreement is now in force. The Russia agreement was, to be fair, somewhat controversial. It's interesting that the negotiation of agreements can take a while. India took me roughly two years and eight one-week sessions – four in New Delhi, two in Washington, one in London and one in Cape Town. The total negotiating time dedicated to the Russia agreement was about two-and-a-half days – two days in Moscow and a half-day preceding it. And then we submitted it to the Congress.

Why so short for what you might have thought would have been a complex agreement and why so long for India? Well, the answer is simply that the Russians have been in the nuclear trade business for quite some time and the kinds of things that they ask from their cooperating partners are very similar to what we ask.

So when I lay something on the table and say, here's what we need, they say, yeah, I know, looks like our agreements. No problem. Let's just tinker with this. That's why it took two-and-a-half days. When you're dealing with a country which has not been involved in international trade and is not used to what people require then there's a certain amount of, ah, I don't know, you know; what's this all about? Please explain it again. So that's why things take a while.

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The United Arab Emirates – that is a somewhat unique agreement, which was brought into force last spring. It's the only agreement in our inventory where the other party accepts a binding legal obligation not to pursue enrichment and reprocessing on its territory. Now, when that went to the Hill, there was a lot of welcoming sentiment for the agreement and some said that it established a new gold standard for requirements for nuclear agreements. That was the good news.

But predictably, there are now calls for: well, it really ought to be in all future agreements. And in fact, legislation is being drafted which, I think, would do that, among other things. And that can be problematic. Why? Because a very large part of the Non-Aligned Movement and those who might proceed into nuclear are not people who are going to sign away their, quote, “inalienable article IV rights to nuclear cooperation.” So that could be a somewhat difficult issue for the administration in the coming months.

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Jordan – Jordan is in negotiation. Now, I say that but if you follow the press closely, you might have seen an article in the Jordan Times, which was widely circulated, which quotes me, fairly accurately, actually, in which I said to them that we wanted to complete the agreement as soon as possible, that we were very, very close but, to be fair, the Jordanian government had other issues on its mind at the moment. And completing a nuclear cooperation agreement is not one of them.

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But one thing I would like to correct is that you see again and again in the press that Jordan, of course, will never do what the United Arab Emirates did. Well, I wouldn't count on that. When I say we were very, very close to an agreement that both of us liked, I mean we were very, very close. And if they are prepared to engage at some point in the future, I think we will come to conclusion and I think that the Congress will like the result. But let's see what happens.

Something different – the Pentapartite Agreement. When URENCO wanted to build an enrichment facility in New Mexico, it had to have a legal underpinning that dealt with the issue of restricted data. I won't get into the legal issue; it's too complex. But essentially, there had to be a sorting mechanism of information coming out of the enrichment facility.

And if it was old restricted data, it could go back to the Europeans in Europe but if it's new restricted data, it cannot leave the country, except pursuant to an agreement that specifically allows for the transfer of restricted data. And to my knowledge, there's only one of those in existence and that is the U.S.-Australia SILEX agreement, which was drafted precisely for allowing the free flow of RD so that the SILEX process could be tested.

So in 1992, we did an agreement with the three URENCO countries, a quadripartite agreement, to provide the legal underpinning for New Mexico. When Areva decided they wanted to build a facility in Idaho, we now had to have a five-party agreement that looked a lot like the previous so-called Treaty of Washington. That agreement was initialed last December in Vienna and I'm pleased to say we finally got it to signature in Paris in February. And I suspect that entry into force will come somewhat quickly.

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Okay, what's coming down the pike? First, Vietnam. We have an MOU – memorandum of understanding and cooperation with Vietnam. And we have suggested a 123. We have given them a text of a 123. But that discussion is on hold for the moment because if you've been following the trade press quite closely, you will see that there is an issue as to whether we should require the gold standard in all future 123s. Some people think yes, we should. Let's tighten up. Others say if you do that, there's going to be a lot of people that you're writing off in terms of nuclear cooperation, and do you really want to do that? Well, until we can settle that issue, we really can't move forward with Vietnam.

Armenia – Armenia has asked for a 123 agreement but the question is, do we really need to do one? The only time you do a 123 is if you want to export reactors, fuel for reactors or major components for reactors. Now, since Armenia says, I'm going to buy Russian, then there's not an issue in terms of exports. But oh, well, we might want to hire a U.S. architect or engineer to supervise the building. Fine, but that's a technology transfer and that can be handled under a DOE part 810 approval.

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What else is coming down the pipe? Well, remember I said that there's a lot of renewals. So we're looking at Bangladesh in 2012; Colombia in 2013; Norway in 2014; an important one, our underlying agreement with the International Atomic Energy Agency, 2014; Thailand, 2014; and Taiwan, 2014. Now, Taiwan is important and there may be an issue there. Why? Because Taiwan is not a country. And since we don't have diplomatic relations with the government on Taiwan, who do you get to sign the agreement that commits them to all of the provisions that are required?

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Well, we think we have figured out a way through that problem and that we can send it up to the Congress and handle it just as if it was a 123 but it would be signed by the two institutes that handle relations between the two peoples. I've talked in the Congress about this. I was up there last week. And I think it's fair to say that both sides of the aisle, both sides of the Hill, said if you handle it like a 123, that's probably going to work.

Korea – Korea is under negotiation. The Korea agreement dates back to pre-1978. It looks like one of the old Atomic Energy Commission sales agreements. So it has to be totally renegotiated and brought up to snuff. And we're in the process of doing that. I'm sure you know what the underlying principal issue is, and it's reprocessing or pyroprocessing. And that's an issue we're going to have to come to grips with. But we've had two rounds of negotiations with Korea. I think they have gone extremely well and we're hopeful we'll be done within two years and get it up to the Congress in plenty of time.

China expires in 2015. Well, now how did that happen? Didn't we just do that? No. We did China in 1985 but there were certain certifications the president had to make to allow for exports and those weren't made until 1998. So in 2015, the China agreement expires and that one will have to be renegotiated and sent to the Congress in 2014.

Well, are there others out there? Yes, Mongolia. Whoa. Why Mongolia? Are they planning on going nuclear power? Well, no, but there are discussions about whether or not Mongolia would harbor – or take a spent-fuel storage depot for third-country fuel. Now, if that works out, we have to have a 123 with any country where U.S.-obligated material is going to. Now, since such a spent-fuel storage facility might take material from Taiwan and South Korea, we'd have to do Mongolia.

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Saudi Arabia has not yet asked for a 123 but I think they will be in Washington shortly. My guess is, they will ask for a 123 and then we'll have to decide how we're going to handle Saudi Arabia. That is pretty much the waterfront. My point is that it's been a very busy time for 123s. We are looking at those countries that are planning to pursue nuclear power and opening up 123 discussions with them. At last count, I had something like 17 123 agreements that have to either be negotiated, renegotiated or extended between now and 2014. So it's going to be a somewhat busy period. And I'll stop there.

HIBBS: Thanks very much, Dick. That was an expert and comprehensive tour de raison of the situation. We will now move on to Ambassador Hamad Alkaabi. The floor is yours, sir. Either way.

ALKAABI: Thank you very much for this opportunity. I think from the UAE perspective, it is important to go a little bit about the background of the UAE nuclear program and the policy approaches that the UAE government has taken to understand how that provision or approach is being reflected in the agreements that the UAE has signed with other countries in terms of cooperation in the nuclear energy area.

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If we can go back to 2006, when the government had started looking into potential – or started studying the energy demand in the future, it was concluded that the energy demand is growing at a tremendous rate and the government had started looking at all the options to meet this demand. These options included, among nuclear energy, other technologies that could supply the future growth in the UAE, including hydrocarbons, renewables, as well as solar and coal, crude oil, natural gas. All these options were part of the mix that were evaluated back in early 2006.

But the conclusion was that the natural gas availability in the UAE is not sufficient to meet the demand. The solar renewables are being pursued aggressively but they can only meet a small portion of the future demand. And nuclear energy is an option that the UAE simply cannot ignore because of what nuclear energy can offer for the UAE in terms of commercial performance, as well as environmental performance, compared to the other technological options.

Based on this conclusion, and also understanding the uniqueness of nuclear energy, as well as the sensitivities that surround the decision to develop nuclear energy program, has led the government to evaluate and also define a set of principles that would constitute a framework in which the government will develop the program – the domestic program for peaceful nuclear energy in the UAE.

These principles that were defined by the government were complete operational transparency, commitment to a high standard of safety, security and nonproliferation, working directly with the IAEA, developing the program in cooperation, as well, with governments and firms of responsible nations, as well as developing the program in a way to ensure the long-term sustainability of the program.

These principles were expanded into a policy document that was issued in 2008. The policy document listed, in addition to the government commitments, a list of strategies, as well as government plans and (audits ?) on how the government will meet these principles that we set initially.

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The policy paper also highlighted, in addition to – basically, the commitment to nonproliferation was one of the major commitments that the UAE government has pursued on, and also made a clear commitment in the policy, in addition to ratifying the relevant nonproliferation treaties, including the safeguards, the additional protocol and others, the UAE has also gone one extra step by committing not to develop enrichment facilities and also forgo the reprocessing facilities in any nuclear center in the UAE.

This was, again, as a result of our commitment to a high standard of nonproliferation, but also developing a model and approach that not only will benefit the UAE, but also other countries that are interested in nuclear energy. The approach is to develop a model and approach that will assist countries like the UAE to benefit from the peaceful

nuclear energy, at the same time without raising concerns related to safety, security and nonproliferation, but also develop a program under the support of the international community.

This model was also – our policy approach was based on evaluation and assessment of all the cases in the past of countries as developed programs, but also a well comprehensive studies in terms of, what are the concerns, what are the sensitivities of the program, and also studying how do you maintain a long-term, sustainable program under the full support of the international community? But also, there was a lot of studies related to commercial viabilities, as well as related factors to what is any decision that the government takes – well, how that will impact the program development.

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After the policy was issued in 2008, the government had started to implement this policy, in particular the development of the required infrastructure, as well as signing the committed agreements and international instruments. Among those was the government has concluded multiple cooperation agreements with supplier countries, including the one we just hear about – the U.S. 123 agreement.

And a comment theme in these agreements is, most of these agreements reflect, to a certain extent, the UAE policy approaches, as well as the UAE decisions and commitments from the UAE policy and the government decision on this. What we saw in the U.S. 123 agreement is it's consistent with the UAE policy. The provisions of the 123 agreement related to forgoing the enrichment and reprocessing is a government position way before we started the negotiation of the 123 agreement.

But what we saw with our U.S. counterpart is a mutual interest and a shared vision, I would say, to promote a certain model and certain approach that could lead to further strengthening the nonproliferation regime, in general, but also assist to develop – I will demonstrate that such model is viable – if a country makes such commitments then they get the full support of the supplier countries, as well as other international support.

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What we saw, also, in the U.S. 123 agreement, other provisions – also, again, as a reflection of the UAE policy – including the rights for retransfer of spent fuel. That's, again, because the UAE had decided not to develop its own enrichment or reprocessing facilities. The government would like – wanted to maintain the option to send spent fuel abroad for further reprocessing or for a final disposition as a potential scenario. So this is something unique, I think, in the UAE 123 agreement, also as a reflection of the UAE policy and approach in this regard.

What we saw also in the other agreements that the UAE has signed with other suppliers – so far, we have agreements with France, the government of Korea, U.K., as well as we have a few other agreements under negotiation now. In all these agreements, more or less, there is a reference or there is a provision that relates to UAE policy on the nonproliferation, the safety and the physical security.

To some extent, some systems or government regimes did not allow them to insert certain provisions implicitly, but at the same time, if you go through all the agreements that the UAE has signed with other suppliers, more or less, they all have a reference to the UAE policy document that was issued in 2008, which includes all of the UAE commitments, all the UAE approach to develop nuclear energy.

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We understand that maybe not every country is willing to take the same decision that the UAE has taken. But what the UAE government and UAE approach is trying to do is demonstrate a viable model that is a model that could benefit any potential other countries who are interested in nuclear energy. We're saying, yeah, this is a model that is being supported internationally. Supplier countries are supporting this model. The industry is supporting this model. At the same time, it doesn't raise any concerns related to safety, security and nonproliferation.

I think going forward, it's obviously a decision of each government what provision they would go or what approach they would follow, but I think it's to the benefit of many supplier countries, as well as the industry, to promote this model, in a way, as a viable model for many new countries. We have been working closely as well with the IAEA on many of the new, innovative approaches that the UAE has taken to establish the nuclear energy program.

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And we have also been assisting other countries who are already starting to reach to the UAE for assistance – sometimes through the IAEA but sometimes also on a bilateral manner. So this is what – where the UAE is so far and I just wanted to give some comments on that. Thanks.

HIBBS: Well, Ambassador Alkaabi, thank you very much for your elucidation of the background of the U.S.-UAE agreement. And now we will move on to Scott Snyder from the Asia Foundation for your perspective on the Korean situation.

SNYDER: Well, thank you, Mark. It's a pleasure to be here. I have to admit that I am a substitute. I just got notice in the middle of last week that the South Korean who had been invited to present was not going to be able to come. And so I bring a little bit of a different perspective. It means that I'm much freer, perhaps, than what you might have heard from the South Korean view.

And I also see some excellent specialists in the audience who probably have some more specific knowledge on some aspects of this but let me try to just give a broad picture of the U.S.-Korea nuclear relationship. And I want to try to address three sets of issues. One is the significance of U.S.-South Korea nuclear cooperation, especially as it relates to South Korea's emergence as a new exporter of nuclear plants, in the context of negotiating a new 123 agreement.

Second, I'll touch on South Korea's hosting of the nuclear security summit because I think this is a very, you know, interesting unfolding dimension of the relationship that I'm hopeful can also catalyze some interesting developments, in terms of South Korea's own bureaucratic infrastructure as it relates to addressing nuclear issues. And then I also want to touch on North Korea and North Korea's impact on South Korean attitudes toward nuclear issues.

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So let me just start by saying that South Korea, obviously, is very reliant on nuclear power as a resource-poor country. It now has 21 plants that are producing over a third of South Korea's indigenously produced energy. It's a core component of South Korea's strategy going forward, especially in the context of their own approach to climate change, known as "green growth."

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And the South Korean nuclear program has developed, really, quite rapidly. Their first plant was a turnkey plant that was completed in 1978. Mr. Stratford mentioned that the current U.S.-ROK nuclear agreement dates from 1974. And a lot has changed in the context of what has happened, clearly, in terms of South Korea's capabilities and capacities, in terms of producing nuclear energy and now, exporting.

And I think a lot of these issues really pose some interesting challenges in the context of trying to negotiate a new 123 agreement, especially because as an exporter, now, of nuclear plants, there are capabilities that South Korea doesn't have that other exporters do have, related to enrichment and reprocessing. And so I think that those issues are going to be of particular interest.

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I have to say that since the negotiations have begun – and my investigative journalism skills might be a little bit weak; I can't really necessarily go into great details about the specifics of what is being discussed – but I do want to point out that, you know, in a way, South Korea seems to be in an interesting challenge, as it relates to timing, especially in the context of the congressional desire to try to strengthen and make new requirements for 123 agreements, especially given that South Korea's exports seem to be moving South Korea in the opposite direction, in terms of what it needs.

So I guess what I want to suggest is that there's an interesting challenge related to the question of, to what extent can the United States government be the arbiter and enforcer of a global regime at the same time that there are a lot of developments that may, in fact, increasingly be beyond the capability of the U.S. government to really be able to hold other countries to the practices that we might like them to see? And in the Korean case, I'd like to suggest that one thing that we ought to be trying to encourage as we negotiate this agreement is a greater sense of collective responsibility in the area of nonproliferation. And so as South Korea has greater opportunities to benefit from exports of nuclear power, it arguably also should bear greater responsibilities, as it relates to safeguards and nonproliferation.

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Now, the UAE contract, I think, provides a very interesting set of issues as it relates to 123 agreements. And since South Koreans are concerned about whether or not the current negotiations are going to somehow constrain the scope of what they can do, I think that it's important to also recognize that South Korea could not have made a contract to build reactors in the UAE without the U.S.-UAE 123 Agreement being in place. And U.S.-South Korea cooperation, in my view, was an important selling point as part of South Korea's bid to win the UAE contract.

The fact that the reactors themselves are still based on U.S. technology provides a kind of Good Housekeeping seal of approval, I think, to a certain extent. And so the U.S. 123s with the UAE and South Korea provide a framework that enables and defines the parameters under which South Korea will supply reactor technology and training to UAE operators going forward. And they really can't do this without the U.S.-ROK cooperation.

Now, there's another set of issues, I think, related to the U.S.-UAE 123 that, you know, frankly, are still questions in my mind as we look at the South Korean-UAE contract. And you know, one of them is related to this issue of the gold standard and the UAE's decision to forgo enrichment and reprocessing. And it relates to the question of, well, what's going to happen to fuel, both supply for reactors once they're built in the UAE and also,

you know, did the contract with South Korea deal, in any way, you know, with issues related to spent fuel and take-back?

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And the reason that I raise that is that South Korea, in the context of its own domestic program, is already facing challenges as it relates to capacity to manage spent fuel. And that, as Dick Stratford has noted, is one of the, you know, interesting and challenging issues for the U.S.-ROK negotiation since one of the primary rationales that South Korea has offered for pursuing pyroprocessing has really been to deal with spent fuel.

And the idea that South Korea might have to also deal with spent fuel from reactors offshore, depending on exactly what the provisions of that contract are, raises even more challenging difficulties. And so essentially what it, you know, points to is the fact that, as South Korea enters this export market, there also are ambitions to be engaged in providing a full range of services, as it relates to the reactors.

And so that poses a very interesting, I think, challenge. Let me just move on and say – well, let me say that my understanding of the current negotiations is that they have kind of set aside or bracketed the pyroprocessing issue to some degree because there's an agreement to do a joint study on spent-fuel options between the U.S. and South Korea. That has already been agreed to. In a way, I think that, that might relieve some of the pressure, as it relates to that specific issue, you know, on the negotiators.

But there are still issues that I think are going to be very sensitive in the context of negotiations precisely because South Korea's program has evolved relatively quickly and it's easy to project into the future the desire, on the part of the South Koreans, to see greater flexibility in terms of what they might be able to do at later stages in their development. The other big, I think, pressure, as it relates to those negotiations, is really connected to the fact that the U.S. has given privileges to Japan and India related to reprocessing.

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And so there's a temptation, I think, in the Korean context to look at this as a matter of prestige, or at least as a matter of, well, if your other ally, Japan, has this privilege, what about us? And oh, India – is that an ally of the United States? We didn't know about that. And so you know, that presents a very interesting and complex political challenge that I think also is complex in terms of the political management of the relationship. Let me just briefly say a few words about the nuclear security summit because this is another area where the U.S. and South Korea are now interacting quite a bit. South Korea is set to host it next year.

And in fact, there are consultations already underway among sherpas and sous-sherpas in preparation for that summit. And I think that one of the issues that is going to be, you know, interesting is related to, what is the scope of the agenda? I think the U.S. is probably going to want to try to keep it narrowly focused, you know, on the nuclear security issues that were dealt with in the last summit but there is a temptation, I think – and maybe even more so, in the context of Fukushima – to expand the agenda to deal with safety and other issues.

And I think that one of the plans that the South Koreans are probably likely to develop in conjunction with their hosting the summit in a more active way is an industry summit, precisely because there's going to be, I think, an interest in South Korea in showcasing, you know, their own accomplishments in terms of the peaceful nuclear development.

And then the last issue I want to raise is really related to North Korea. And it's interesting because when you talk to South Korean nuclear specialists these days on the nuclear and technical side, they really don't want to talk about North Korea. They're really interested in how their own program develops. And yet, I think in a U.S. context, it's inevitable – especially this inter-Korean denuclearization agreement from the early 1990s in which South Korea and North Korea pledged to forgo enrichment and reprocessing of uranium – you know, it comes up.

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And obviously, there's a problem with that particular agreement because the North Koreans are not following it. That's very clear. And developments in North Korea's own nuclear program and the recent provocations that have been going on between the two sides have actually increased public desires in South Korea, or at least expressions of concern, that include, now, a majority of South Koreans saying that they might be interested in attaining a nuclear weapons capability to match the North Korean capability.

Now, I don't think that, that's likely to happen. Most mainstream specialists in South Korea will talk about how it's not in South Korea's interest to pursue a nuclear weapons capability. And it would also, I think, create great stresses in the U.S.-South Korea alliance. But it's interesting that, that discussion is going on and I think that, that issue is likely to come up and have ramifications, possibly negative ramifications, in the context of the ongoing negotiations.

And then just one other thing is that it's also obviously an issue that is likely to be something that South Korea wants to deal with in the context of the nuclear security summit. So let me stop there and look forward to the rest of the discussion.

HIBBS: Thanks very much, Scott. Thanks for that. I'm going to throw it out to questions from the floor but I'm going to take the chair's prerogative of asking two questions. One, perhaps Dick Stratford could give us an answer to and another one is a more general question that, I hope in the course of the discussion, including with the people who are participating in the session here, among you, that we get an answer to.

The general question that I have has to do with the development of the gold standard as an idea. In asking people how this came about, that a provision in one agreement with the UAE was considered to be a blueprint for all our agreements in the future, I got various answers. Some people ascribed the gold standard idea to people in the State Department, based on, I guess, spokespeople for the State Department who actually, during briefings or statements to the media, referred to it as a gold standard.

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Others I've talked to have said that it was basically people in the Bush administration who promulgated this as a general standard. And in the view of some of these people, the Bush administration had oversold this concept. And then the third explanation you get is that it had nothing to do with the executive branch at all but with, basically, the brainchild of a few people in the Congress who adopted it as a platform.

I don't know what the answer is to this. Perhaps in the course of the discussion, we'll get the answer. That's the general question. The specific question that I have for Dick is this: It appears to me that in the history of our nuclear cooperation with foreign governments over the last half a century, our leverage, what we bring to bear in

nuclear cooperation with our foreign partners, seems to be hand-in-hand with the issue of U.S. intellectual property rights in the nuclear energy arena.

I think, if I'm not misunderstanding this, that this is a component of the discussion with the ROK agreement. And the way I understand it is that U.S. leverage in the area of consent for reprocessing or alteration in former content, as it's called in some of the agreements, derives from the definition of what happens inside of the nuclear fuel cycle in that country. When either U.S. nuclear material is irradiated in a reactor, that would define it as U.S.-obligated. Likewise, if foreign uranium or foreign nuclear material were to be irradiated in a reactor which was of U.S. supply, that would, if you will, contaminate that material with U.S. obligation.

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I'm given to understand there are specific reactor components that would define whether an installation would be U.S.-supplied or not. And in the Korean context, we're given to understand that in the evolution of Korea's nuclear capabilities, that Koreans are now on the cusp of having a light-water reactor, which they will be able to deploy both in Korea and in the export market and that this reactor, potentially, would basically change the game because it would be a Korean facility, which would not be subject to U.S. leverage in this regard. So perhaps, Dick, you could clarify this general issue for us.

STRATFORD: First of all, excuse me, I've got a terrible, terrible cold. You remember I referred to nine paragraphs in section 123 of the Atomic Energy Act. I don't have the precise language in front of me but I do have a précis of what it requires. And the act requires a U.S. right of prior consent to reprocessing, enrichment and alteration in former content of nuclear material transferred pursuant to the agreement or used in or produced through the use of material or equipment so transferred.

So if we sell a reactor to Korea, all material that passes through the reactor is subject to that consent right over reprocessing. If we sell nuclear material to Korea, that nuclear material is subject to a U.S. consent right, regardless of whether or not it passes through somebody else's reactor. That's not the way the original U.S.-ROK agreement read. The original U.S.-ROK agreement said, you may reprocess if the two sides make a joint determination of safeguardability.

That's the way the original U.S.-India agreement reads, that dates back to the 1960s. And that led to a longstanding disagreement between us and the Indians over whether or not the spent fuel at Tarapur could be reprocessed, with the Indian side taking the view that it could be safeguarded, therefore we had to make the joint determination, and our view being, no, we don't have to make the joint determination so it continues to be a consent right.

[00:49:18]

I do know how the language of the UAE agreement came about but I'm not going to say – (laughter) – because that's internal to the administration. But I was talking to a Hill staffer just a couple of days ago and he said, Dick, you realize there are five different bills circulating in the House on amending section 123 of the Atomic Energy Act? And I said, yes, I'm generally aware of it. There's one which says, all agreements have to be approved by majority vote in both houses of Congress.

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Now, that would make life a lot more difficult for us in terms of trying to get an agreement through the Congress because it would be very easy for a committee to bottle it up – just say, nah, not going to report it to the floor, sorry. And then nothing would happen. There are others who say, well, no. What I want is, I want the additional protocol as a condition of supply and I want the so-called gold standard on enrichment and reprocessing. If you put it in there the agreement remains under the silence procedure for 90 days. But if you don't put it in there because someone didn't agree to it, well, then we have to approve it.

[00:50:40]

Now, I have to say there's a lot of sympathy on both sides of the aisle for moving in that direction and we have to see where it goes. For my own part, I think personally that the additional protocol should be a condition of supply. We have reached the point where most cooperating countries have accepted the additional protocol. The way we worded it in the UAE agreement was, the agreement will come into force but there can't be exports under the agreement until the additional protocol is in force.

My own thinking is, if I had my druthers, I would put that into all future agreements and just simply say, I'm sorry, but the additional protocol is no longer optional. It's a tool that the IAEA needs. Now, the no-enrichment and reprocessing language is a somewhat different story because I think there may be a great deal of resistance to that and that would put us in the position of saying to somebody, we really need it.

But the first time somebody says, not going to do it, now you have to make a choice. Do you either back away from the negotiating table and say, well, that's that or do you cave in? But the first time you cave in, everybody in future negotiations will say, well, if you caved in to one, you'll cave in to all. So I'm not going to do it. So it puts you in a terrible negotiating bind. I'll stop there. Now, did that answer your question?

HIBBS: Perfectly. Okay, I'm going to throw the discussion open and if you raise your hand, I'll try to call on you. There will be a roaming microphone. Please do not ask your question until the microphone arrives. And when you do get the microphone and before you ask your question, please tell us who you are and who you are representing here. Thanks. Jeffrey?

[00:52:43]

Q: Jeffrey Lewis, Monterey Institute. I was surprised that you referred to discussions about – this is for Mr. Stratford – I was surprised that you referred to discussions about negotiating a 123 agreement with Mongolia so I had just two points of clarification. You mentioned a depot for third-party spent fuel – would that include U.S.-origin spent nuclear fuel? And what do the Mongolians get out of it? Do they want to do fuel fabrication? What's the fuel services package?

STRATFORD: That's not entirely clear. I mention that because I have a list, which I keep with me, of all the agreements that I have to do over the next four years, assuming I hang around that long. And it's a long list. When I was discussing the list with some people about two weeks ago, someone said, Dick, you realize that your energy colleagues are having discussions with Mongolia about the possibility of spent-fuel storage?

And I said, no, I wasn't aware of that. Are they serious? And the answer was, well, they think so. And I said, well, okay, then if they are and if that pans out, then frankly, I'd be very happy because my Taiwan and South

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Korean colleagues have a really difficult time with spent fuel. And if there really was an international storage depot, which I have always supported, then that would help to solve their problem.

So my point is, is if that pans out, then there would have to be a 123 and yes, I would support allowing them to transfer U.S.-obligated spent fuel. One of the reasons I was such a big supporter of the Russia agreement was, if we had an agreement with Russia, it would have allowed U.S.-obligated spent fuel to go to Russia. Now, some years ago when I was the U.S. expert on the IAEA director general's panel drafting a report on multinational facilities, my Russian colleague sat to my right in the meetings.

And we were chatting and I said, didn't you, at one point, talk about taking foreign-origin spent fuel? And he said, well, yeah. And I said, not Russian, but others? And he said, yes. And he said, but that would be for storage and reprocessing. If you don't allow us to reprocess it then you have to take it back at some point. And I said, what's the point? And the answer was 50 years. And I thought, oh my god, my Taiwan and South Korean colleagues would love to get rid of their spent fuel for 50 years and not have to face the issue.

[00:55:25]

But the Russians changed their mind. They're happy to take back fuel that they sell from Angarsk but they're not taking foreign spent fuel. Now, I have to tell you, I've often thought that when I leave the government, I should apply for the job of Rosatom's marketing manager. (Laughter.) Because if I were the Russians, I would approach countries like South Korea and Taiwan and I would say, buy from me and I will take it back and your problem of spent fuel will never get worse. Now, sign a long-term contract with me and pay a premium price for somebody else's fuel and for every four Russian rods I take back, I'll take back one foreign rod.

Now you can tell your people not only will your spent fuel problem never get worse, but it will gradually get better until it disappears and there is no problem. I personally think there would be a lot of money in that and I absolutely cannot understand why they haven't moved that direction.

HIBBS: Thanks, Dick. The man in the beard way in the back.

Q: Thank you, Mark. Daryl Kimball, Arms Control Association. I have a question for Dick Stratford. Thanks for being here and laying out the list of agreements that you have to deal with. The list raises a fundamental question for me – and this also relates to the legislation that is being discussed on Capitol Hill about revising section 123 of the Atomic Energy Act – can you tell us, succinctly, whether this administration has a policy about what kind of nuclear cooperation agreements it would like to negotiate with these countries?

What are the parameters? You express – and I agree – that the additional protocol, ideally, should be a condition of supply. But it seems to me that one of the reasons why many members of Congress are seeking to amend and revise the Atomic Energy Act is that this administration and the previous administration seems to have taken an ad hoc approach to these issues, especially the nonproliferation-related issues.

[00:57:47]

So this is not meant to be a flip question; it's a serious question. Your address didn't really explain this to the audience: How would you describe the basic parameters and goals, from a nonproliferation perspective, that this administration has as it is negotiating these agreements? And then a quick but obvious question: Do you or this

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administration consider pyroprocessing reprocessing? Can you just give us a straightforward answer? To many of us, it's one and the same thing. Thanks.

STRATFORD: I'll give you a straightforward answer: DOE states, frankly and positively, that pyroprocessing is reprocessing, period, full stop. They did not say that five years ago when we started down the road of cooperation on pyroprocessing. Then the product was weapons-usable. But electro-reduction, combined with electro-refining, has moved to the point that the product is dangerous, from a proliferation point of view. So for that reason, pyroprocessing is reprocessing and that's part of the problem.

In terms of negotiations, what we ask for is what the Atomic Energy Act asks for – section 123, paragraphs one through nine – not usually nine because we don't do sensitive nuclear technology. And that is incorporated in what we refer to as a model agreement. Now, a model agreement can be as simple as 22 pages, double-spaced. And that is good for any and all countries, except for weapons states, in which case you have to handle safeguards somewhat differently. And that doesn't change, from country to country.

[01:00:06]

The issue for the future is going to be, number one, whether we write in the additional protocol as a condition of exports, which, frankly, I would favor but no one's made that decision. But I think if I were to say, let's do it, the administration would take my advice. And the issue of whether to require the so-called gold standard, as I believe the State Department spokesman referred to it one time. And that decision has yet to be made.

Are decisions made on a case-by-case basis? Yes, they are. For the most part, when a potential cooperating country says, I am serious about nuclear power, I would like to do a 123 with you, generally speaking, the answer is going to be, yes. Now, to be fair, I've had a couple of countries express an interest in nuclear power, which I won't name, who I thought were simply not capable of handling a nuclear power program safely.

And even if the embassy writes in and says, this sounds like a wonderful idea, let's do this, I sometimes tell management, no, that is not serious and you don't want to do a 123 with that particular country. With that having been said, as I said, there's a lot out there that we would be willing to do a 123 with. So is it case-by-case? Yes, it is. In most cases, we say, yes. In some cases, I tell management, I don't think that's a good idea.

HIBBS: The lady in the third row.

[01:02:00]

Q: Thank you, Margaret Ryan with Energy Now. I wanted to pursue the question that Mark Hibbs raised about the U.S. losing its leverage. As time goes on, as we see more diversity – and South Korea is the best example – in exporters, are we facing a world where the U.S. can no longer dominate nonproliferation policy around the world? And I wonder if the bills that Dick Stratford described in Congress are simply going to have the effect, then, of speeding the retreat of U.S. nuclear – of U.S. nuclear companies from international commerce. Is their position going to be filled by companies from countries that aren't asking these strict conditions?

HIBBS: Who are you asking?

Q: Anyone. If any of you want to – (off mic).

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STRATFORD: That's a hard question for me to answer because, frankly, there's still an issue within the administration on how to handle the enrichment and reprocessing issue and I don't know which way we're going to come down on that, to be perfectly honest. But that having been said, the fact is, we are no longer the biggest player in international nuclear trade. That's a fact. And I'm sure that there are some people out there who, if I were to ask for the sun, the moon and the stars, they would say, well, I'm not sure I'm going to do that; oh, but by the way, do you have Areva's phone number in Paris? (Laughter.) You know, that's a fact.

And more people are getting into the market. Witness South Korea. I would guess that, within 12 years, China is going to be in the market – and I don't mean Pakistan. You may have seen, in the New York Times a few days ago, the big article about China developing the pebble-bed reactor and hoping to have at least two up and running within about five years. And if that turns out to work as well as, frankly, I think it will, I think you're going to see China in the international market.

[01:04:13]

So we don't have the influence we used to have. That's a given. But that having been said, why do so many people pick up the phone and call us and say, we would like to have a 123 with you? Well, it's not always because they plan to buy American. It's because if there is a 123 with us, it means that the United States is okay with nuclear power in that country and it sort of puts a stamp of approval on other people moving ahead.

HIBBS: Thanks, Dick.

SNYDER: I'll say one thing –

MR. HIBBS: Go ahead, Scott.

SNYDER: – on this. I mean, in the South Korean case, I'd just like to say that there has been a lot of discussion in the media and I think even, you know, internally about, they've been using this phrase, “nuclear sovereignty.”

But you know, if you really think about what the cost would be of achieving nuclear sovereignty – for instance, you know, having the indigenous reactor and then actually going forward with trying to pursue enrichment and reprocessing, you know, through a method that would be independent of the restrictions that are, you know, in the current law, you know, it really – there's a high cost, I think, as it relates to defection.

[01:05:37]

And South Korea is in a special circumstance as a U.S. ally, probably more constrained than some others. But I think that, that particular decision is one that would not be taken lightly, at least in the South Korean case. The question is really, you know, in the context of other entrants into the market, you know, how is that going to influence the U.S. ability to project a certain measure of control.

(Off-side conversation.)

ALKAABI: Just maybe a small comment on that question of – in our experience in the UAE in pursuing the nuclear energy program, we have realized that, given the global nature of nuclear sectors in the world and also, the multi-owned industry from different governments, as well as technology, that led us to evaluate that we actually need multiple agreements with multiple countries for one contract to be completely implemented.

An example of that, which was already mentioned, is the Korean contract for the UAE has a small portion for U.S.-based companies, as well as technology that's owned, maybe, originally by a U.S. company and require licensing approval from the U.S., but also, it would require other countries that has either to manufacture some component or to fulfill some scope of that contract or has technology control on certain parts of the contract. Thank you.

HIBBS: Thank you, sir. Row – what is it? Row six.

Q: Thank you. I'm Gerald Epstein at the American Association for the Advancement of Science. Question for Mr. Stratford: I'm intrigued by the status of Taiwan and I'm wondering whether the way in which we address Taiwan will affect our discussions with China the next year. And I'm also wondering, if you could remind us, what's the – how does the IAEA deal with Taiwan now?

[01:07:42]

STRATFORD: The answer is that we, I believe, are the only country that has a nuclear cooperation agreement with Taiwan, which predates the Taiwan Relations Act of 1971. We have allowed other countries to piggyback on our agreement and our safeguards inventory. The IAEA continues to apply safeguards in Taiwan as it would anywhere else.

Other people are reluctant to negotiate an agreement with Taiwan because of Chinese sensitivities but the Chinese have never complained, to my knowledge, about the fact that we have opened Taiwan to uranium supply from Canada, France and at least one other country – it's been a long time since I negotiated those.

But essentially, it says to the country, you can export to Taiwan and we will allow you to put your material on our safeguards inventory. The way relations are conducted with Taiwan is, there are not government-to-government relations. There is an American Institute in Taiwan and there is something called TECRO, which I forget the acronym for, in the United States which represents Taiwan interests. And those two institutions represent the peoples of the United States and Taiwan.

[01:09:32]

Now, a query: If we don't have government-to-government relations, how can we negotiate an agreement? Who's signing for them? Well, the answer is, TECRO would sign for them and the American Institute in Taiwan would sign for us. Now, why is that? Now, I haven't done the legal research myself so if I'm wrong, please don't right me. But somewhere in the Taiwan Relations Act, I think, is a provision which says, in any place where the word "country" or "state" appears in some other statute, you may substitute the word "Taiwan."

So in other words, we would simply go ahead with a 123 of standard provisions between the two institutes, then we would send it up to Congress exactly the same as a 123 agreement, with whatever procedures Congress has

enacted at that time, which, so far, in my staff briefs, seems to sit well with the staffs up on the Hill. Does that answer your question?

Q: And how does the IAEA deal with Taiwan? Do they have a governmental – (inaudible, off mic) – relationship, as well?

STRATFORD: You know, I don't know the answer to that. I just don't.

HIBBS: There's somebody here who does know that and he's sitting in row three. (Laughter.) The lady in the fifth row.

[01:21:01]

Q: Jessica Varnum from the Monterey Institute Center for Nonproliferation Studies. Relating to the earlier question about, is the U.S. really even relevant in the nuclear market anymore and therefore, you know, can we institute certain requirements in our agreements, my question is, does the U.S. government have an effort underway to try and make our own standards or desired standards for future 123s consistent with NSG guidelines because certainly, if we could get the NSG to accept the additional protocol as a condition of supply, or the gold standard or any other of the requirements that we might be considering, it might actually have a realistic impact.

I'm not entirely sure that I agree with the concept of, countries like to have a U.S. stamp of approval because, certainly, countries like Russia haven't had a problem in the past doing business with countries like Iran, for example. So it seems to me to be relevant in the market, what we really need to do is have consistent standards for all of the nuclear suppliers.

STRATFORD: I think that's right. I've been the U.S. rep for the Nuclear Suppliers Group since 1991, when they first came back together again in the Hague. I've only missed one plenary, which was Warsaw in '92, when I was off on long-term training. The suppliers group has been remarkably effective.

There's a lot of things we accomplished: the adoption of full-scope safeguards as a condition of supply, the application of full-scope safeguards to technology transfers, the dual-use list, et cetera, et cetera. It's actually not as hard to get consensus in a 46-member group as you might think. Most things that we have gone after, we have managed to get. And that is a mechanism for trying to raise export standards.

[01:12:54]

Right now, we're considering a so-called criteria-based approach to the transfer of enrichment and reprocessing and we are very, very close. But we've got a country who thinks that one of the criteria is not one that we should require. I won't get any more specific than that. And we're going to have to overcome that. Can we do more things in the guidelines? Yes, but I have to say I think members are suffering from initiative fatigue. If you keep making proposals all the time, people get tired of listening to you.

But what I've been thinking is that right now, we are engaged in an effort to do a fundamental review of the trigger list and the dual-use list, which is being led by the Netherlands. And within a year or two years' time, we will have completely scrubbed both lists, taken out things that don't need to be there and adding technologies that do. When that's over – and my colleagues in the NSG have heard this before – I'm going to suggest that we create an

open-ended working group to do a fundamental scrub of the guidelines and to invite as many ideas as people want to float and put into the working group.

And then once they've got all of the ideas for changing the guidelines and toughening them up or rewriting them, the working group would then proceed through, paragraph-by-paragraph, selecting ideas that people, they think, can agree on and discarding ones that they can't. And that, I hope, if I'm handling this right, will be the mechanism by which we can introduce some new ideas that, hopefully, would get supplier consensus.

[01:14:53]

HIBBS: Dick, thank you very much for that. Right here.

Q: I'm Anton Khlopkov from the Moscow-based Center for Energy and Security Studies. And I have, first, a question for Ambassador Alkaabi. Have you ever – I mean, UAE – considered the lease – fuel lease as an option to solve the spent nuclear fuel problem in the future?

I also have a few questions for Dick Stratford. First one: I think one of the main outcome of the U.S.-Russian reset, as of now, this is 123 agreement. And I do think it, in the strategic perspective, could be even more important than New START treaty. And this is why I was quite impressed with your comment that it took just two-and-a-half days, you know, to negotiate that.

But at the same time, we will know that the agreement faces a series of delays. First, it was initialed and signed only a year later and entry in force, even after signature, took two-year-and-a-half. So the negotiations took two-and-a-half days, but entry into force, more than two-and-a-half years. So what, from your point of view, the major problems this agreement faced? Because Georgia is not the real issue, you know. It was used as an issue but probably, there is something behind. So this is first.

[01:16:31]

And second, on South Korea, there are a lot of debates about pyroprocessing. At the same time, I have not seen any information on enrichment. So-called golden standard could be applied in this field for new U.S.-South Korean 123 agreement, or it is out of agenda? Thank you.

HIBBS: Thank you very much.

ALKAABI: Regarding the question related to fuel lease, if you go back to the UAE policy in 2008, the document actually reads that the UAE favors a fuel lease arrangement if it becomes feasible. In this regard, our discussion – we're continuously in discussion, actually, with multiple partners on this potential option for the UAE.

As of today, there is no concrete determination that this is actually feasible, due to some national legislations of some countries. But also, there are some good, positive, I would say, signals that this could be developed into something that the UAE could utilize in the future. As we pursue this evaluation – and hopefully, we can get such arrangements in place – we also evaluate all the potential options for the UAE. We will favor a fuel lease arrangement if it becomes available but at the same time, the UAE is evaluating other options if that option is not available to determine the final strategy for the management of spent fuel.

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HIBBS: Thank you. Dick?

STRATFORD: A couple of things: With respect to the Russian negotiation, the way it happened was, my Russian counterpart, who was going to be their negotiator, was in Washington for a meeting and I took the opportunity to lay on the table a draft text. He flipped through it and we had barely an hour's conversation but he said, you know what, this looks pretty good.

[01:18:28]

And then a little bit later, we had a half-day discussion – that's why I say two-and-a-half – and most things looked good again. So about a month-and-a-half later on the way back from New Delhi, my team and I stopped in Moscow and we spent a very intensive two days scrubbing the text. And at the end of two days, we were done. And as I said, one of the reasons it only took two-and-a-half days is Russia is very familiar with what other people require and it's very similar to what Russia requires. So there's no great suspicions.

If I ask for a consent right over reprocessing, Russia understands, you know, and we get it. What was controversial about the agreement was, number one, it was up on the Hill when Georgia occurred and, frankly, the politics of the situation required that it be withdrawn. Why was it sent back to the Hill when it was sent back?

Well, that's hard for me to answer because I can't speak for my superiors but I would note that May of 2010 was a propitious time to move the agreement to the Hill because of the confluence of the START agreement, plutonium disposition and the Iran resolution in the U.N. Security Council, all of which helped pave the way for a successful review of the Russia agreement – successful, even though some people would have preferred to block it and even though we ran out of time. But we were saved by the lame-duck session which, if it had not occurred, means – would have meant that we would have had to send it back up and start over again this year.

[01:20:20]

On enrichment, where we are on enrichment is that the NSG is considering tightening up the restrictions on enrichment transfers, as well as reprocessing. I really can't get into the details of NSG discussions. We have an agreement that they will remain private. But when I said earlier I thought we were very, very close and there's almost consensus on E&R, we really hope to get that done this spring, and if not this spring, then by the time of the next plenary, which is June 20 to 24 in (Nordvik ?) in the Netherlands. So I'll stop there.

HIBBS: Thank you. In the back on this side.

Q: Miles Pomper from the Monterey Institute. Dick, I have a couple questions, one very specific and one more general. The specific question is, in the Korea 123 agreement, there's a feasibility study called for relating to that on pyroprocessing. Has that MOU finally been signed?

And secondly, the more general question is, there's a number of countries in Asia that are exploring the possibility of multinational fuel-cycle facilities, particularly on the back end. What would that mean, in terms of negotiating a 123 agreement or nuclear cooperation with such a facility and how it would relate to other national agreements with countries?

STRATFORD: The answer to your first question is, I don't know. I don't think it has been signed, yet. There is agreement on the study. Whether they've actually signed it yet, I just haven't checked. I'll have to ask one of my people. On multinational fuel-cycle facilities, that's not something that we have positions on because we've never had to deal with it before.

I think if there was a proposal to have, for example, a multinational reprocessing facility, our view on that would depend on, number one, the location. You would want it in a stable, democratic society. Number two, what happens to the plutonium? We would probably not want it to go back, either as separated material or as MOX, to the country that supplied the spent fuel. Number three, it would depend on the country's ability to provide appropriate physical protection and safety.

[01:23:16]

And number four, we'd have to have a good understanding of where the plutonium was going to go. And number five, no sharing of the technology. Somebody has a facility who has the technology and, as in the Angarsk mode, sells pieces of the plant, which bring drawing rights or – that's enrichment, really – a share of the plant's reprocessing capability. Those are the kinds of things we would look at.

And then if we were not part of the consortium that was building the fuel-cycle facility, what would happen is the cooperating partner would say, I want to send my spent fuel to X facility to be reprocessed; will you give me consent under the alternation in former content paragraph? And then that's the way in which we would make the decision on whether that material could be reprocessed.

As the ambassador said, one of the things that's unique about the UAE agreement is that we gave consent up front to allow spent fuel to be transferred to the U.K. or France for reprocessing but the return of plutonium is subject to consent.

HIBBS: Thanks, Dick. Dan?

[01:24:47]

Q: Hi, Dan Horner from Arms Control Today. I had a question for Ambassador Alkaabi and then for Dick Stratford. In the U.S.-UAE agreement, there's a provision that, if other countries do not have the provision on enrichment and reprocessing, that the U.S.-UAE agreement can be renegotiated. But from your comments right now, saying that you saw it as a model, but not necessarily a requirement, it sounded like you would not be inclined to change that provision, even if other countries did not adhere to it. Is that correct?

And my question to Dick Stratford is, on this question of the gold standard – and maybe we're getting too stuck on, actually, the use of that phrase because both the Bush administration and the Obama administration articulated this idea that it is a model, in some way – in regards to how you came to that, what was the understanding within the administration as to what that required? Because it seemed different people from the administration were articulating the administration's policy in pretty different ways after the agreement was signed. Thanks.

ALKAABI: On the question related to the provision of, that no other nations in the Middle East will get more favorable provisions in the agreement, related to this issue in particular, I mentioned that the UAE has taken the decision way ahead, before we started negotiating the 123 agreement with the U.S.

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In particular, also, importance, in 2009, the UAE has issued a national nuclear legislation, nuclear law, which clearly stated that it's forbidden in the UAE to develop any enrichment or reprocessing facilities. And it's part of – it was a policy and then it was transferred into legislation within the UAE.

[01:26:42]

Now, our right within the 123 agreement is to request clarification if any future agreements we became aware of that give better provisions. And that's something the UAE may do, in terms of clarifying. But then whether the UAE would request such things, that's something I think the UAE has already made a decision on – it will not develop enrichment or reprocessing within the country, from policy principles but also, now, as legally binding on a national level by introducing the legislation. Thanks.

HIBBS: Thank you. We're getting close to the end. I'll take one more question. Oh, sorry.

STRATFORD: The answer, on most favored nation, is that, that language dates back to the 1981, or thereabouts, U.S.-Egypt agreement –

[01:27:35]

Q: That wasn't my question. I just asked you about the gold standard and what the administration's policy was – what was the agreement within the administration about what – how to implement the model that you were – (inaudible, background noise) – on the UAE? (Inaudible, off mic.)

STRATFORD: And the answer is, I'm not going to address that.

HIBBS: One more question. There are no more questions. Then it's 10:30 and we can go home. (Laughter, applause.)

(END)