

THE FOREIGN POLICY INITIATIVE

"TIGHTENING THE NUCLEAR NONPROLIFERATION RULES:  
THE ROLE OF CONGRESS AND THE EXECUTIVE"

Wednesday, May 16, 2012

12:00 p.m.

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## KEY SPEAKERS

Ambassador John Bolton, American Enterprise Institute

Congressman Ed Markey, (D-MA)

Daryl Kimball, arms Control Association

Kingston Reif, Center for Arms Control and Non-Proliferation

Henry Sokolski, Executive Director, Nonproliferation Policy Education Center

## MEMBERS PRESENT:

Jamie Fly, Executive Director

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## 1 P R O C E E D I N G S

2 MR. SOKOLSKI: My name's Henry Sokolski. I'm  
3 the executive director of the Nonproliferation Policy  
4 Education Center. This event is being co-hosted with  
5 the Foreign Policy Initiative, Jamie Fly, the director.  
6 This is a joint event. We're going to open with  
7 remarks from the chairwoman of the House Committee on  
8 Foreign Affairs and the sponsor of a bill directly  
9 related to today's topic.

10 H.R. 1280 features as its centerpiece the  
11 proposition that the United States Congress, which  
12 votes on trade agreements, might want to vote on  
13 agreements dealing with sharing nuclear technology,  
14 which as one pundit put it, in the case of power  
15 reactors, our bomb starter kits. Now, not everyone  
16 agrees, and that's the reason we're here. (Laughter.)

17 I'd like to start off then having the chairwoman make  
18 some remarks, and then we'll get into our regular  
19 program.

20 CHAIRWOMAN ROS-LEHTINEN: Thank you so much.  
21 Thank you. Thank you very much. Well, thank you very  
22 much for being here, and thank you, Henry, for putting

1 this event together, and thank you each and every one  
2 of you for being here.

3 This is an important topic, and the bill that  
4 I have put forth has, indeed, its fair share of  
5 controversy, but I think that no matter where you stand  
6 on that piece of legislation, we can all agree that  
7 preventing the spread of weapons of mass destruction  
8 must rank among our nation's highest priorities. And  
9 that's what my bill is designed to do by preventing a  
10 short-sighted focus on commercial and political  
11 interests from undermining our long-term security.

12 The broad and bipartisan support for this bill  
13 was demonstrated by the unanimous vote in the Foreign  
14 Affairs Committee last year, and we have many  
15 supporters in the House and in the Senate as well, but  
16 I have to say that expecting the Senate to do much of  
17 anything is, as the saying goes, the triumph of hope  
18 over experience. So the House must lead once again.  
19 And unfortunately the bill has some formidable  
20 opponents. I would imagine that many of them are in  
21 this room today.

22 But first, we have the rules committee, a big

1 hurdle to overcome there. It's holding up the  
2 legislation for what I consider to be reasons that are  
3 not truly serious. They say that if the House were to  
4 occasionally vote on nuclear cooperation agreements,  
5 that it would clog up our legislative calendar. Well,  
6 that really doesn't pass the laugh test, but I will  
7 leave it up to you to determine what their actual  
8 objections are as that is all that I have been able to  
9 get out of those votes. I don't think that important  
10 votes clog up the calendar. I believe that is the  
11 reason that we are here.

12           But the principal opponent, of course, is the  
13 nuclear energy industry, which has been lobbying  
14 members with a great deal of success. For example, the  
15 Armed Services Committee was prevented from putting key  
16 provisions of the legislation in the Defense  
17 Authorization bill. But I'm happy to say that language  
18 supporting the goal standard did make it into the  
19 committee report. Unfortunately, a number of the  
20 arguments being put forward by opponents are simply not  
21 true.

22           The bill is not aimed at the U.S. nuclear

1 industry, not at all. That is not the argument. In  
2 fact, many supporters of the bill are also strongly in  
3 favor of nuclear power -- not all, but most. Nor is  
4 there any evidence that any country now contemplating a  
5 nuclear cooperation agreement with the United States  
6 would refuse to sign one that had these simple  
7 protections in it. There's no evidence that that would  
8 be true. So we have repeatedly reached out to those  
9 opposing the legislation to tell me what do you find a  
10 problem in the bill, let's address it.

11           So every time that they come up with a  
12 problem, we try to address it and related issues, and  
13 our discussions are ongoing. So I would say that this  
14 is not a closed-book case. This is in negotiations.  
15 We're in conversations. We're flexible. As Everett  
16 Dirksen said, "I'm a man of principles, and one of my  
17 principles is flexibility."

18           But we're encountering so many misconceptions  
19 and untruths about this bill -- out and out falsehoods.

20       And this has slowed down our progress as for what's  
21 next, which is what I would imagine that many of you  
22 would ask. All that I'm at liberty to say is that

1 we're continuing our discussions with other members,  
2 we're continuing our discussions with leadership to map  
3 out a plan and a path so our bill can make it to the  
4 floor and so that the House as a whole can vote to  
5 support this much-needed legislation.

6           But Congress cannot do it alone. Our success  
7 depends on people like you and your devotion to  
8 stopping this deadly threat to us and to the world  
9 before it is too late. So I thank you for your  
10 interest in this bill. I thank you for your  
11 willingness to work with us to ensure that we do have  
12 the best bill possible that addresses all of the  
13 concerns that people may have, and as we move it  
14 forward, that we're able to have you shepherd it along  
15 with us, and we want our force to bring it to the  
16 President's desk to await his signature.

17           So if you are -- whether you're in favor or  
18 against the bill, I would say that the most helpful  
19 thing that you could do is to counter the falsehoods  
20 about the bill. It is not directed at the nuclear  
21 industry. It's to have Congress have a voice in what  
22 is a very, very serious issue. And right now, we don't



1 have a voice. So that's, simply put, what the bill  
2 tries to do with, and there are many exaggerations  
3 about what the bill is aimed for or what we want to get  
4 at, and a lot of that is hogwash and is just not rooted  
5 in what the bill does, what it aims to do, and there  
6 are no ulterior motives behind this bill.

7           We like the nuclear industry. I'm in favor of  
8 it. I have nothing against it. We want Congress to  
9 have a say. So let's fight the falsehoods, and let's  
10 meet those rumors head-on and whack at them whenever  
11 they rear their ugly heads. So that's all I have to  
12 say about my bill. So thank you very much. But I am  
13 here to listen to John Bolton -- I don't know about  
14 you -- and all of you guys, too -- (laughter) -- all of  
15 you guys, too. (Laughter.) You're eye candy. John  
16 Bolton is the (inaudible) -- (laughter). Thank you,  
17 everybody. (Applause.)

18           MR. SOKOLSKI: Eye candy. I'll have to tell  
19 my wife. (Laughter.) The other thing is if you look  
20 around the room, you'll notice it's full. I was told  
21 about four years ago not to pursue this topic. It was  
22 too marginal. No one was interested. It doesn't

1 appear that's the case. There is one other party  
2 that's interested. I don't know whether your people  
3 understand this, but the executive branch is now  
4 undergoing a review or reconsideration whether and to  
5 what extent it will adopt the gold standard in its  
6 negotiating of 123 agreements. Now, I don't know how  
7 many people from the executive are here. Something  
8 tells me at least one.

9           Now, someone who actually knows something  
10 about the executive, someone who has served is  
11 Ambassador John Bolton. I don't believe he needs much  
12 of an introduction, but it is worth noting that he  
13 comes to the topic of public policy with the equipment  
14 of a legal lens, which is not normally the equipment of  
15 most policymakers. I think this is what keeps him  
16 gyroscopically driven to actually be mildly consistent  
17 beyond what most policymakers are.

18           It's what makes John so interesting in my  
19 book. He will even argue against his bosses if it  
20 seems like the right thing to do. That's called public  
21 service. That's why we have protection of public  
22 servants. But in his case, for the most part, he's



1 Ileana Ros-Lehtinen cosponsored her bill with Howard  
2 Berman, the ranking Democrat on the House Foreign  
3 Affairs Committee, that Congressman Ed Markey and I  
4 were able to agree on an op ed on the subject. These  
5 are people who come to this issue with great  
6 seriousness, because the stakes are very high. And  
7 while the legislation that's now pending is by no means  
8 the alpha and the omega of this, it's an important  
9 indication, I think, of how serious Congress is and the  
10 public as a whole on these issues.

11           Now, part of the problem is that the  
12 difficulty we face is probably inherent in the approach  
13 we've taken on international nuclear matters basically  
14 from the beginning. And as with many other examples of  
15 American foreign policy, it probably stems from our  
16 naivete that we thought we could have atoms for peace,  
17 we thought we could encourage civil nuclear power  
18 around the world, and at the same time, we thought  
19 people would keep their word and that the risk of  
20 diversion for nuclear weapons-related purposes could be  
21 handled through monitoring by the agency ultimately  
22 created, the International Atomic Energy Agency.

1           Unfortunately, I think what's given real  
2   impetus to the concerns about proliferation is the  
3   number of countries that have happily signed a  
4   nonproliferation treaty, they've signed safeguards  
5   agreements with the IAEA, and then like so many other  
6   international agreements they sign by the dozen, they  
7   just violate them effectively with impunity when it  
8   suits their purpose.

9           We have the example of North Korea, which did  
10   everything but publicly renounce the Nonproliferation  
11   Treaty as it pursued nuclear weapons for several  
12   decades and then did renounce the Nonproliferation  
13   Treaty and kick the IAEA out.

14           Iran has not gone quite that far yet. It  
15   hasn't needed to. It's making all the progress it  
16   needs with the safeguards agreement in place still in  
17   here and for the Nonproliferation Treaty still present  
18   in Vienna indeed even as we speak still negotiating  
19   with the IAEA as if may have the slightest intention of  
20   complying with whatever agreement they reach.

21           And it's in this atmosphere of countries that  
22   are simply flagrantly violating commitments that

1 they've made that the notion of a U.S. policy that does  
2 something to try to prevent the acceleration of nuclear  
3 proliferation is so important. We looked at it very  
4 carefully in the Bush Administration. President Bush  
5 gave a speech at the National Defense University in  
6 2004 that tried to address the problem that we had of  
7 the idea of civil nuclear power in international  
8 circles that would minimize the threat of  
9 proliferation.

10           And it basically boiled down to countries  
11 giving up both ends of the nuclear fuel cycle simply  
12 getting fuel for their civil reactors by purchase  
13 through an international market and not having a  
14 uranium enrichment capability, and likewise renouncing  
15 any possibility of reprocessing spent fuel, of  
16 delivering the spent fuel out of their country as soon  
17 as it was practical to do so when it came out of the  
18 reactor.

19           We were -- not only did the President give  
20 that speech, we were successful at the Sea Island  
21 Summit in 2004 in getting the G-8 countries effectively  
22 to endorse that policy. But unfortunately it didn't

1 get very far as a practical matter. We ran into all  
2 kinds of roadblocks, policies changed, and we drifted  
3 away. Then when the United Arab Emirates announced its  
4 plans for up to four nuclear reactors where they would  
5 voluntarily give up both ends of the nuclear fuel  
6 cycle, I think the possibility reemerged that we would  
7 have a paradigm to work with that would minimize the  
8 risks of proliferation.

9           And you couldn't really think of a better  
10 country than the UAE given its neighbor to the north  
11 across the Arabian Gulf that had so consistently  
12 violated every undertaking that it had made in  
13 connection with its nuclear program, that if the UAE  
14 and if the 123 agreement that the United States was to  
15 sign with it could be used as a model, then there was  
16 some prospect that we could continue the dual track of  
17 peaceful, civil nuclear power with if not no risks of  
18 proliferation, at least minimizing the risk.

19           So it was quite disturbing when after the UAE  
20 came forward and after their agreement, that the  
21 Administration announced that the gold standard that  
22 they had referred to was more a -- a more

1 flexible -- that's the word I think we're looking  
2 for -- a more flexible standard that would be applied  
3 on a case-by-case basis. Well, look, the practical  
4 reality, the politics of this are very, very plain.

5           Whatever the UAE's rights to insist if anybody  
6 else gets a less restrictive agreement that they could  
7 reclaim the possibility of enrichment and reprocessing,  
8 as a matter of politics, it's simply not sustainable  
9 for other countries in the Middle East to have  
10 relations with the United States that give them more  
11 flexibility than the UAE. So I think it's inevitable,  
12 again politically, that you would have a race to the  
13 bottom, that we would see the possibility of  
14 restraining the spread of enrichment and reprocessing  
15 technologies would simply disappear.

16           And it wouldn't just be in the Middle East; it  
17 would be worldwide. Now, this is far from a  
18 hypothetical concern in terms of potential breakout  
19 capability for a nuclear weapons program. We've  
20 already seen Secretary of State Clinton has said, and  
21 she quite right, that if Iran gets nuclear weapons, it  
22 is simply a matter of time, and not much time, before



1 Saudi Arabia gets nuclear weapons, before Egypt gets  
2 nuclear weapons, before Turkey gets nuclear weapons,  
3 and quite possibly, others in the region as well. So  
4 that in a very short time, as these things go, five or  
5 ten years, you could have half a dozen or more new  
6 nuclear weapons states in the Middle East.

7 I think what this demonstrates is that we  
8 really are on the verge of seeing the entire nuclear  
9 nonproliferation regime collapse. It's got a lot of  
10 pressures. This is not the only one by any stretch of  
11 the imagination. But it is absolutely certain, in my  
12 view, that if the United States doesn't hold the line,  
13 nobody else is. And while many people have said that  
14 ultimately you can rely on IAEA inspections, you can  
15 insist on the additional protocol and get even further  
16 rights of inspection for the IAEA, it's record over the  
17 years and the practical limitations that wannabe  
18 nuclear weapons states can impose limit its  
19 effectiveness quite apart from the fact that the IAEA  
20 has been pretty good at limiting its own effectiveness  
21 over the years through its unfortunate selection of  
22 directors general at different points.

1           Now, I'm very happy that the current director  
2 general actually takes the threat of proliferation  
3 seriously, at least from Iran and that the agency has  
4 performed well. But you can't count on that  
5 inevitably, and you can't count, as we have not been  
6 able to count these past several decades, on actual  
7 compliance by NPT and safeguard signatories.

8           So when you see Congress trying to do what the  
9 Ros-Lehtinen-Berman legislation would do, just one step  
10 to reaffirm that as a government policy, the United  
11 States feels strongly about trying to minimize the  
12 breakout risk, the risk of proliferation, the example  
13 that is set by countries that are simply not serious  
14 about the commitments they make on the proliferation  
15 side. This is something that seems to me ought to be  
16 pretty straightforward.

17           Now, I mean, ultimately what you need is  
18 executive branch policy that's unambiguous on this  
19 point, because when you look at a case-by-case review,  
20 you're talking about no standard at all. I think  
21 that's the inevitable consequence. So this to me is a  
22 case study in whether, on a bipartisan basis, we're

1 able to impose discipline on ourselves to achieve the  
2 objective that we all say we want, which is to restrain  
3 the threat of nuclear proliferation.

4           Right now, we are failing that test. We're  
5 failing it in a lot of respects in North Korea, in  
6 Iran -- I could go on. But this is one that is  
7 uniquely in our control. We set our own standards, and  
8 if we're not prepared to set this standard, then it's  
9 not hard to imagine how the negative consequences will  
10 cascade away from us on this point.

11           So I was very glad that Congresswoman  
12 Ros-Lehtinen was able to appear and discuss some of the  
13 specific concerns with respect to her bill. We still  
14 have time this year. I understand the political  
15 situation here on the Hill. But every once in a while,  
16 something sneaks through on a bipartisan basis, and I  
17 would hope that this would be one of the things that  
18 makes it, because by the time we have an election in  
19 November, however it turns out, it may be too late in  
20 many cases, and this whole effort legislatively may be  
21 entirely overtaken by events.

22           I like to try and be optimistic on this, so

1 I'll just close with this note: Again, when you see  
2 the possibility of cooperation like we have on this, I  
3 think it should give us some encouragement that if we  
4 could get people to focus on the issue, we could see a  
5 path to success, and I hope that has persuaded all of  
6 you here today to try and work with us on this, but I  
7 do appreciate your being here. Thank you very much.

8 (Applause.)

9 I think, with your indulgence and the panel's  
10 indulgence, maybe I'll take a couple questions. I  
11 think Chairwoman Ros-Lehtinen's had to go. So I'll  
12 give her answers, too. (Laughter.)

13 MR. SOKOLSKI: A show of hands.

14 AMBASSADOR BOLTON: So we've persuaded  
15 everybody. (Laughter.) Well --

16 MR. SOKOLSKI: Yeah. That's great.

17 AMBASSADOR BOLTON: It's definitely time to  
18 leave now. (Laughter.)

19 Yes, sir. Let's take a risk here.

20 QUESTION: Ambassador Bolton, I --

21 MR. SOKOLSKI: You need to stand up, identify  
22 yourself, and speak up.

1           QUESTION: Oh, okay. I'd like to get your  
2 view on the upcoming negotiation in Baghdad, if that  
3 position is willing to consent to the 3.5 to 5 percent.

4       What do you think is going to affect the (inaudible)?

5           AMBASSADOR BOLTON: The question is about the  
6 upcoming negotiation between the current 5+1 and Iran  
7 in Baghdad and what may or may not happen on  
8 reactor-grade enrichment. Look, I don't think the  
9 government in Tehran has the slightest bit of  
10 credibility on anything regarding their nuclear  
11 program, and I think a tacit -- even an unspoken  
12 concession that the regime can enrich to a  
13 reactor-grade level, 3 to 5 percent so long as they  
14 close down Fordo simply legitimizes a program that's  
15 been in violation of repeated Security Council  
16 resolutions since 2006.

17           It undercuts the basis on which the EU-3 began  
18 their negotiation with Iran, over my objection I might  
19 say, back in 2003. It's 10 years of the European Union  
20 saying the basis for a deal with Iran was suspension of  
21 all enrichment-related activity. And if you give that  
22 up even tacitly, even as saying, "Well, this is just a

1 partial agreement," you've locked the Iranian position  
2 in very advantageously, and I think everybody familiar  
3 with this knows once you're enriching to reactor-grade  
4 levels, you're doing almost 70 percent of the work you  
5 need to get to weapons-grade level.

6           So it's the idea that it's okay to go to 3 to  
7 5 percent, but just terrible to go 20 percent is a  
8 charade. And it's discouraging that after all these  
9 years or negotiation, and again even as recently as  
10 yesterday in The New York Times, watching senior  
11 Iranian officials boast again about how they've taken  
12 the West to the cleaners to buy time for their nuclear  
13 program and how much they, in effect, have actually  
14 legitimized, I would think would be a wakeup call. I  
15 guess we'll have to wait and see in Baghdad.

16           MR. SOKOLSKI: You've  
17 persuaded -- (laughter) --

18           AMBASSADOR BOLTON: Okay. Well, thank you  
19 again.

20           MR. SOKOLSKI: This is --

21           AMBASSADOR BOLTON: I just want to  
22 underline -- and I will have to depart, but I want to

1 underline what Henry said. This is a very important  
2 issue, and I think that's why for NPEC and FPI, to have  
3 this significant, and it's significant that all of you  
4 are attending. So thank you very much. (Applause.)

5 MR. SOKOLSKI: You may be asking, "Where is  
6 Congressman Markey?" Well, his closest aide says,  
7 "We're trying." The market was kind of nuts today.  
8 That's a cue for us to proceed to the second panel and  
9 hope he comes. In any case, before we move to the  
10 second panel, I'd like you to recognize that the pile  
11 of goods that you were given actually has something of  
12 value in it. To start off, there are two FPI  
13 documents, an op ed by Robert Zarate, and testimony by  
14 Jamie Fly on the subject, well worth reading. The op  
15 ed is about an op ed, which means it's a hyper op ed.  
16 It's about the Markey-Bolton op ed.

17 In this regard, although we don't have copies  
18 of it, there is a letter that Kingston Reif's  
19 organization put out, which is bipartisan, about the  
20 gold standard, and it was a letter that was sent to the  
21 chairman of the Senate Foreign Relations Committee. I  
22 recommend you go to his site. It's got to be there, or

1 it will be soon, right? He's nodding. Okay.

2 In addition, you'll notice that we reached out  
3 to other organizations. There is a piece by Joe  
4 Lieberman that I recommend that is in there. It was  
5 posted on CSIS, and it talks about what the impact of  
6 sticking to the gold standard might be for industry and  
7 uses a historical lens by looking at what previous  
8 efforts to promote nonproliferation did to industry and  
9 what industry claimed and what, in fact, happened.  
10 It's very -- it has footnotes. There could be a quiz.

11 Then there is a letter, which FPI and NPEC,  
12 which is signed by a fair number of Republicans,  
13 including Steve Hadley, John Bolton, Mr. Joseph, which  
14 talks about the need for the President to reconsider  
15 coming away from the gold standard. It's a partisan  
16 letter. It was meant to be, but a Democrat could have  
17 signed it.

18 Finally, and perhaps of greatest interest to  
19 me, there is today a release of a new document, and  
20 it's Serious Rules for Nuclear Power without  
21 Proliferation. And it's in that package. It will be  
22 the subject of a meeting Friday, which you are all



1 invited to, at the (inaudible) by Victor Kolinski  
2 (phonetic) and myself. It represents about two years  
3 worth of work. There's lots of unpublished research  
4 that went into it.

5 If you will, it's a blue sky document  
6 for -- if you look a look at civilian nuclear energy  
7 the way you look at nuclear weapons, and you wanted to  
8 reduce risks, and you put that first, what would your  
9 policies look like? We'd rather work from the premise  
10 that we're going to have an expansion of nuclear power,  
11 and then ask the question: What can we do to limit the  
12 risk? This reverses put security first. It's a  
13 different perspective on where you end up. Now, with  
14 no further ado, I've asked Jamie to take over and  
15 moderate the second panel, so we'll get right into it  
16 now.

17 PANEL 2

18 MR. FLY: Thanks, Henry. I really appreciate  
19 Henry's and NPEC's work on this issue. I think Henry,  
20 in large part, has been one of the people who has  
21 helped to bring this debate to where it is today. At  
22 FPI, we're very proud to co-host this event. We'll

1 start the panel. I think if Congressman Markey  
2 arrives, we'll make (inaudible).

3 I want to introduce the panelists. I'll just  
4 make some brief remarks, and then we'll -- I'll turn it  
5 over to them.

6 To my left is Daryl Kimball, who is executive  
7 director of the Arms Control Association, which is a  
8 nonprofit organization dedicated to effective nuclear,  
9 chemical, biological, and conventional arms control  
10 measures. Prior to his time at ACA, he was  
11 director -- executive director of the Coalition to  
12 Reduce Nuclear Dangers in his long career of working on  
13 arms control issues.

14 At his left is Kingston Reif, who is the  
15 director of nuclear nonproliferation at the Center for  
16 Arms Control and Nonproliferation, who has also worked  
17 in this field for quite some time, including as a  
18 research assistant on Congressional Posture Commission  
19 in 2008, 2009. And I obviously -- I think Henry needs  
20 no introduction at this point.

21 Before I turn it to Daryl, I'll just say that  
22 I became interested in this issue when I was serving in

1 the Bush Administration at the Pentagon and at the NSC  
2 working on counterproliferation, and I just saw that  
3 despite the best efforts, I think, of officials like  
4 Ambassador Bolton and others in the Bush  
5 Administration, there was still kind of an  
6 institutional bias that was often working against those  
7 of us who wanted to be more serious about preventing  
8 proliferation.

9 I actually think I would describe this  
10 is -- and the legislation that has been discussed as a  
11 bipartisan solution to what I surely believe is a  
12 bipartisan problem. This is not a problem with the  
13 Obama Administration. It was an issue in previous  
14 Administrations with different political parties, and I  
15 think if we are to avoid some of the nightmare  
16 scenarios that Ambassador Bolton spoke about in terms  
17 of a cascade of proliferation, that taking rather minor  
18 steps, quite frankly, with legislation like this, makes  
19 a lot of sense.

20 I'll just highlight two aspects of that. I  
21 think the chairwoman did a good job of highlighting the  
22 key parts of her legislation. I mean, I think from my

1 perspective, it's just a commonsense approach. There's  
2 no reason that Congress could not and should not have  
3 the opportunity to take an up-or-down vote on all  
4 agreements that do not conform to the so-called gold  
5 standard that's been discussed.

6 I think this is especially important given the  
7 (inaudible) the press reports about all the various  
8 countries that are interested in nuclear energy and  
9 interested in negotiating these agreements with the  
10 United States, especially in key areas like the Middle  
11 East. And beyond what's already been said, I'll just  
12 add that I think people sometimes don't realize that  
13 when you're working in negotiating any of agreement,  
14 whether it's arms control agreements or an agreement  
15 like a 123 agreement, the U.S. Government bureaucracy  
16 really could use some external forces putting  
17 requirements on them.

18 Because, especially when it comes to a debate  
19 about our regional interest with a particular country  
20 or our broader political relationship with a  
21 political -- with a certain country, there's going to  
22 be an inherent bias, I'd say, within the U.S.

1 Government bureaucracy to ignore the concerns of the  
2 nonproliferation experts and promote the concerns of  
3 the regional bureaus of the States Department, and I  
4 think that if they know that Congress has laid down  
5 clear, red lines, and there are certain things that are  
6 required of an administration to get an agreement  
7 through Congress, I think that will only strengthen  
8 their ability to negotiate. Otherwise, I think these  
9 sorts of concerns are far too often disregarded and  
10 discarded quickly in the negotiation process.

11           The last point I'll just make beyond what's  
12 already been said is that on the industry aspect -- and  
13 I'm sure Henry will talk about this as well; he's much  
14 more of an expert on this than I am -- I'd just  
15 instruct, as an outside observer, that the arguments  
16 that I've heard put forward at times, really imply that  
17 somehow I think that we think that the U.S. nuclear  
18 industry should be allowed to just chase after every  
19 potential market that opens up. I (inaudible) question  
20 in many cases whether some of the countries that have  
21 expressed interest in nuclear energy actually even  
22 require nuclear energy. And so I think we need to be

1 careful about creating a situation where we're actually  
2 encouraging the nuclear industry to just chase after  
3 each exotic market without doing some real analysis of  
4 what is in the U.S. national interest.

5 I do think that as well this notion that  
6 somehow that the U.S. nuclear industry will be left  
7 behind if they do not have the flexibility to basically  
8 operate wherever they'd like is, again, not how we  
9 should be building our policy. There are other  
10 countries like Russia and France and South Korea, which  
11 are active in this area. I do think, though, we should  
12 be -- our approach should be to try to be leaders in  
13 this field and in this sector, trying to shape  
14 international norms and guidelines rather than just  
15 falling behind countries like Russia and France and  
16 others who are willing to set -- or not willing to  
17 abide by any standards or just willing to follow only  
18 very low standards.

19 And then one final point I'll make -- and  
20 again, this is something that's not a negative on the  
21 industry -- but I just -- I've been instructed in my  
22 travels the last several years even to places like

1 Central Europe where we have very close allies, which  
2 are -- I've been told are seeking bids to build nuclear  
3 reactors. And one trip a year or two ago, I heard a  
4 lot of complaints from several countries -- European  
5 countries about that U.S. companies were not even very  
6 active in those bidding processes, which I find just  
7 kind of ridiculous given that we hear from the nuclear  
8 industry that the latest and greatest market is in  
9 proliferation-centered regions where they need to  
10 operate if they're not serious about actually competing  
11 with Russia and France and others in areas that we do  
12 not need to be as concerned about proliferation and  
13 countries that we have less concerns about them  
14 actually seeking nuclear weapons. And so I suggested  
15 they should focus on those regions first before, like I  
16 said, chasing after the latest and greatest exotic  
17 markets.

18 So with that, I'll turn it over to people who  
19 know much more about this than I do. Maybe I'll turn  
20 to Daryl first, and I think we've allocated about five  
21 minutes for each speaker, and then we'll take Q&A.

22 MR. KIMBALL: Well, thank you very much,

1 Jamie, and thanks to Henry for bringing together this  
2 unusual group of people. I can say that I could not  
3 have done this. I could have not brought myself  
4 together with John Bolton, but -- (laughter) -- Henry  
5 could bring me together with John Bolton and on one  
6 panel. So -- and there is, I think -- the  
7 representation here today shows that the problems we're  
8 looking at are problems the nation faces. They require  
9 bipartisan solutions, and on this issue like a lot of  
10 others, we need to look at the facts and the issues and  
11 try to work together.

12           So look, as many people have said already, the  
13 U.S. has long sought to improve international  
14 safeguards and standards to prevent the spread of the  
15 most sensitive dual-use nuclear technology,  
16 particularly enrichment and reprocessing technologies.

17    And Bill 1280 (inaudible) amendments that (inaudible)  
18 under which the U.S. and others should enter into  
19 feasible nuclear cooperation agreements, and for many  
20 years as a matter of policy the United States has  
21 sought to prevent the transfer of enrichment and  
22 reprocessing technology which can be used, of course,



1 to make nuclear bomb material.

2           And as some of the people have said already,  
3 with the renewed interest in nuclear energy and given  
4 that the last time the Congress revised the Atomic  
5 Energy Act and used standard (inaudible) I think is  
6 clearly upon to, one, update the U.S. standards  
7 specifically (inaudible) to raise the barriers  
8 (inaudible) to ensure that those safeguards apply to  
9 all states with whom we negotiate so-called 123  
10 agreements. And as Chairman Ros-Lehtinen said, I think  
11 this bill would give Congress a greater say in that  
12 process, a greater say meaning a much more significant  
13 role in approving those agreements that don't conform  
14 with these standards.

15           Now, as we've heard, the current Obama  
16 Administration policy (inaudible) adheres to the, on a  
17 case-by-case basis with respect to the enrichment and  
18 reprocessing pledge not to pursue enrichment or  
19 processing. And that creates an uneven (inaudible)  
20 standards and mixed message about what our goals are,  
21 and it creates problems. And I think that that is a  
22 mistake.

1           What -- as Jamie said, this is a bipartisan  
2 problem, however. It's not a problem that began with  
3 the Obama Administration. And as we saw with the  
4 ill-conceived U.S.-India nuclear cooperation deal which  
5 Henry and I worked against and to improve, we've seen  
6 how the exemption created for India from the global  
7 nonproliferation (inaudible) has given others a  
8 (inaudible) to break the rules -- Pakistan,  
9 China -- and to lobby for their own exemptions. And  
10 we've seen how that agreement has not led to  
11 (inaudible). They're doing the same thing they were  
12 doing before the deal.

13           So it's time to consider a better way, and  
14 H.R. 1280 provides, I think, a very useful way forward.  
15 It's not perfect, but it's something that the Obama  
16 Administration should support in principle and work  
17 with Congress to improve. And I'd like to highlight a  
18 couple things that I think are particularly important  
19 about it. It would add several new requirements to the  
20 nine requirements already in section 123A of the Atomic  
21 Energy Act. And there will be quiz afterwards about  
22 what those nine requirements are. So get ready.

1           But among the most important new requirements  
2 that would be added are the application of the IAEA  
3 additional protocol to the list of requirements. We've  
4 got to remember that despite the limitations of  
5 (inaudible) safeguards -- and there are  
6 limitations -- these safeguards improve our ability to  
7 detect diversion. And there's still dozens of states  
8 that have not yet (inaudible) additional  
9 protocols -- Nigeria, Egypt, South Korea, and Saudi  
10 Arabia, whose ambassador to Washington recently  
11 threatened that his country would build nuclear weapons  
12 (inaudible).

13           The bill would also require -- or it would  
14 also incorporate the idea of a pledge not to acquire  
15 enrichment or processing capabilities as one of the  
16 standards that we're trying to put into these  
17 agreements. I would also suggest the bill could be  
18 strengthened by a couple of things -- by clarifying  
19 that the recipient state must allow the application of  
20 comprehensive safeguards according to the latest  
21 modifications. Iran, for instance, has a comprehensive  
22 safeguards agreement, but is not following what is

1 called, "Code 3.1," the most recent revision, which  
2 makes it harder for the agency to do its job.

3           The other thing that could be useful would be  
4 to require, not just give the President the option  
5 agreements, but require the termination of U.S. nuclear  
6 cooperation in the event that a recipient states  
7 conducts a nuclear test explosion, is found to be  
8 blatant violation of its IAEA safeguards or acquires  
9 enrichment or processing equipment from sources other  
10 than the United States.

11           So critics of this bill have said, "Well, you  
12 can't require states not to pursue enrichment and  
13 reprocessing. That is their right under the NPT. That  
14 is their option." Well, it doesn't specifically  
15 require them to renounce, but it creates an incentive  
16 for those that do by creating a fast track mechanism  
17 for consideration of agreements that meet that standard  
18 and some of the other standards listed in the bill.  
19 And those states that enter into agreements with the  
20 United States that don't meet those standards would be  
21 subject to a more rigorous process requiring a  
22 formative congressional approval.

1           So to take this back a step, Article 4 of the  
2 Nuclear Nonproliferation Treaty gives  
3 states -- nonnuclear weapons states the right to pursue  
4 peaceful nuclear technology so long as they meet their  
5 Article 1 and 3 safeguards -- or Article 2 and 4  
6 safeguards obligations. But the United States has a  
7 right and a responsibility, I would say, and an  
8 interest not to engage in civil nuclear trade with  
9 states that don't meet a higher set of standards than  
10 those spelled out in the 1968 Nuclear Nonproliferation  
11 Treaty, which is itself nearly 50 years old.

12           So some of the nuclear energy lobbyists also  
13 suggest that because states will not want to give up  
14 their option even if it's only theoretical to pursue  
15 enrichment or reprocessing in the future, this bill, if  
16 enacted, would put U.S. industry at a  
17 disadvantage -- because these states would seek nuclear  
18 cooperation agreements with other suppliers -- France  
19 and Russia -- that might not try to build these  
20 conditions and these incentives into the agreements.

21           I think that's far-fetched, and I think it  
22 suggests to me that some would want to simply lower the

1 standards that we have and the globe has in order to  
2 five companies and special interests a perceived  
3 competitive edge. And I don't think there is a  
4 competitive edge if this standard were to be worked  
5 into U.S. law. We've got to remember that just last  
6 year the nuclear suppliers' group adopted a new rule in  
7 June 2011 that bars enrichment and reprocessing  
8 transfers to states without comprehensive safeguards  
9 agreements that have not joined the NPT, that do not  
10 have the additional protocol enforced, or to states in  
11 proliferation-sensitive regions.

12           What that means is that it's extremely  
13 unlikely that any time in the near future -- the  
14 medium-term and the long-term -- are any of the nuclear  
15 supplier states possessing this technology going to  
16 transfer enrichment reprocessing technology equipment  
17 to these other states. It makes it unlikely. It's not  
18 impossible, but I think that means that the claims that  
19 the gold standard, if written into U.S. nuclear  
20 cooperation law, is going to create a disadvantage is  
21 just not correct.

22           So if we're to succeed in persuading countries

1 to adopt these rules, all states, and particularly the  
2 United States, must be willing to provide greater  
3 leadership and also restraint. In the future, I think  
4 we can all agree that there's no strong economic  
5 rationale for any state to acquire enrichment  
6 technology to get into the commercial business.  
7 There's already a glut of uranium on the market, and in  
8 most cases, if you look through the history of  
9 proliferation and non proliferation, it has been  
10 so-called peaceful nuclear programs that have been  
11 involved in enrichment or reprocessing that eventually  
12 turn into nuclear weapons programs. So we need to be  
13 extremely on guard. We need to raise the standards in  
14 this particular area.

15           So I think it's time for the Obama  
16 Administration to take another more open look at this.

17 I think it's time for the Senate to take a serious  
18 look at this and Congress to move forward to begin to  
19 look at this bill and revise it if necessary and put it  
20 into law. Thanks.

21           MR. FLY: Thanks, Daryl. We'll turn now to  
22 Kingston.

1           MR. REIF: Thanks a lot. Thanks, Daryl, for  
2 your remarks and, Henry, for putting this together.  
3 I've really enjoyed working with you on this issue over  
4 the past couple months. And I hope we can continue to  
5 cooperate.

6           I wanted to begin my remarks by stating that  
7 in my view, the real gold standard that we ought to be  
8 striving for is a world in which all countries agree  
9 not to make their own nuclear fuel, and the number of  
10 locations where the fuel is made for civilian power  
11 reactors is having the smallest number possible and  
12 operated on a multinational basis. Now, to borrow a  
13 phrase, this is an ideal that may not be achieved in my  
14 lifetime. But it's a goal worth striving for if we  
15 say -- if we mean what we say about the dangers posed  
16 by the existence, production, and use of highly  
17 enriched uranium and separated plutonium.

18           It is through this prism that I evaluate the  
19 merits of a case-by-case approach to civilian through  
20 cooperation and enrichment reprocessing. And my view  
21 of this approach does not bring us closer to this goal.  
22 In fact it is a step backwards, I think, for the



1 following reasons.

2           First, I think consistent standards are  
3 important. If other countries believe that the U.S. is  
4 not serious about maintaining consistent and high  
5 nonproliferation standards in its nuclear cooperation  
6 agreements, then they will not assume additional  
7 commitments that will not be asked of others.

8           Second, the policy could prompt the United Arab  
9 Emirates to renegotiate the terms of the UAE agreement  
10 which includes a pledge on part of the UAE not to  
11 enrich or reprocess. And third, I think it's an open  
12 question whether a case-by-case approach will lead to  
13 increased business for the U.S. nuclear industry  
14 relative to approach that insists on higher standards.

15           In any event, the search for additional profits for  
16 the U.S. nuclear industry that may not be forthcoming  
17 should not come at the expense of poor U.S.  
18 nonproliferation objectives.

19           For these reasons the serious national  
20 security and proliferation implications of a  
21 case-by-case approach warrant close congressional  
22 scrutiny. In fact, in an interesting body of work in

1 the academic community in recent years suggests that  
2 all types of civilian nuclear assistance, to say  
3 nothing about the transfer of (inaudible), actually  
4 increases the likelihood that states will begin nuclear  
5 weapons programs. More research needs to be done in  
6 this area, but Congress should be particularly cautious  
7 in evaluating proposed cooperation with countries that  
8 face significant security threats. Many of the  
9 countries beginning nuclear programs in the Middle East  
10 fit this category.

11 H.R. 1280, many of the details of which have  
12 already been described here today, is an important step  
13 in the right direction in terms of strengthening  
14 Section 123 of the Atomic Energy Act. As others have  
15 noted, the bill would not prevent other countries from  
16 forever pursuing enrichment or reprocessing. But by  
17 requiring that Congress approve agreements that do not  
18 contain a no E&R pledge, it would strengthen the U.S.  
19 hand in negotiations on civil nuclear cooperation and  
20 create incentives for states considering nuclear energy  
21 to choose not to pursue sensitive fuel cycle  
22 technologies.

1           The Administration and the nuclear industry  
2 have lined up in opposition to H.R. 1280 as Daryl just  
3 described. And one common argument in opposition to  
4 the legislation is that by requiring more stringent  
5 standards, it border on denying NPT members their right  
6 to explore the full nuclear fuel cycle. But the U.S.  
7 has never supported the argument that parties to the  
8 NPT have an inherent right to acquire an E&R no matter  
9 what. The U.S. also has an obligation, especially in  
10 light of the growing interest in nuclear power around  
11 the world, and particularly in some unstable regions of  
12 the world to not simply raise with Russia, France, and  
13 China the lowest common denominator.

14           Another argument is that by requiring tougher  
15 standards, other countries will not agree to nuclear  
16 cooperation with the U.S. thereby weakening our ability  
17 to influence their nonproliferation behavior via such  
18 things as physical perfection standards, consent  
19 rights, and more. But there are ways to provide  
20 incentives and exercise influence that do not meet  
21 solely on cooperation agreements with less stringent  
22 non-proliferation standards.

1           Building on these points, I think the U.S.  
2 argument in favor of strong non-proliferation  
3 conditions and cooperation agreements is strengthened  
4 once U.S. practices -- as Daryl described, U.S. support  
5 for special exemptions gives U.S. credibility.

6           The Administration's recent proposal is to  
7 support USAC with \$150 million to develop a domestic  
8 national security related enrichment capability. The  
9 fact that the U.S. can rely on foreign companies to  
10 provide its enrichment services is a strong rejoinder  
11 to claims from Iran that it needs to produce its own  
12 fuel instead of relying on the international market.

13           Speaking of Iran, and I'll end with this, less  
14 I don't say something that Henry and Jamie may disagree  
15 with, it has been imparted to me we can't tell other  
16 countries not to make their own fuel if they cut a deal  
17 with Iran that allows them to do so.

18           I believe that anything that allows Iran  
19 unlimited capability to enrich the three to five  
20 percent on restricting international supervision is not  
21 an ideal outcome. It is certainly better than war, and  
22 Iran has made it abundantly clear that no enrichment is

1 a non-starter.

2           Striking a deal with Iran obviously does not  
3 make an U.S./Iran agreement. The issue we are  
4 addressing today has to do with trade with the U.S.

5           MR. SOKOLSKI: (Inaudible.)

6           It is a fair point. (Inaudible.)

7           I'd like to make two kinds of remarks. One,  
8 why Congress needs to get more involved. After all,  
9 there is an Executive Branch review. Shouldn't that be  
10 enough. Who better to know what to do than the  
11 Executives. Truly, they know this topic much better  
12 than the folks on the Hill. They have all the  
13 expertise.

14           Well, a little history, a little law. This  
15 was delegated power. Where did the Executive get this  
16 expertise to move forward without congressional votes  
17 on what is a trade agreement?

18           Well, it was delegated in 1954 under the  
19 Atomic Energy Act. Now, we were taught back at the  
20 University of Chicago that what we delegate, we can  
21 take back.

22           I don't think anyone has contradicted that

1 there or anywhere else that teaches constitutional law.

2           There is cause to take things back. In 1954,  
3 we were in a psychological warfare race to put out  
4 small research reactors faster. That is a little  
5 different.

6           I'm sure you can read about this on a website.

7           In any case, it's different. That is the  
8 task. Why now? What is it now besides the advance of  
9 technology?

10           I served on a commission. One of the things  
11 we looked at had a code word, the quality of analysis  
12 done by an interagency on a Nuclear Proliferation  
13 Assessment Statement, which was done, and was done  
14 under law so that the law makers could get a sense if a  
15 cooperation agreement was appropriate.

16           We looked particularly at the assessment done  
17 on Russia. You can go to the Government Accountability  
18 Office.

19           By the way, the chairwoman was not amused by  
20 that. It was legal. Time to change the law perhaps.

21           There also was an agreement with Turkey.

22           Something has gotten a little lax here. It

1 probably makes sense to change the law.

2           The second point that I would like to talk  
3 about, and that will be the last, is leading with  
4 regard to standards. The argument that is made today,  
5 which was made in 1978 when similar suggestions were  
6 made to raise standards for nuclear cooperation  
7 agreements, that we get ahead of everyone else, and the  
8 argument roughly is not that different from the slave  
9 trade in the 1700s, that we need to be in the trade to  
10 control it.

11           Secretary Schultz was confronted with this  
12 argument. He said not really. He was right. The Joe  
13 Lieberman case explains that when we set our sights on  
14 saying that there ought to be controls over what you do  
15 with this equipment and the suppliers' equipment, we  
16 should start controlling that.

17           The most power in the world is knowing the  
18 leverage and behavior of the other suppliers.

19           Let me give a couple of suggestions just to  
20 show you the future. Let us just say in the case of  
21 Japan and the ROK, they are close allies. In one case,  
22 there is a real questioning of how much nuclear power

1 is going to be developed at least in Japan. There is a  
2 key concern about proliferation in Japan.

3 The ROK needs to get nuclear power agreements.

4 Why? Some of the machines they make contain U.S.  
5 technology and they have to get consent to re-export.

6 In the case of Russia and France, we have two  
7 countries that plan to make a nuclear deal here. Why  
8 might they be interested in making sure that nuclear  
9 power agreements are struck easily, quickly and without  
10 interference or second guessing?

11 They may not be able to sell all of their  
12 nuclear fuel they may make.

13 In any case, they want to be able to export,  
14 and that is a control item that cannot be exported  
15 without a nuclear power agreement.

16 I suspect, although I don't know, that both of  
17 these entities, or at least one, is very keen on this  
18 legislation being defeated, and perhaps work its magic  
19 up here as much as it can.

20 Let's be candid. The French are getting an  
21 appropriation every year to build a facility down on  
22 the Savannah River worth several hundred million



1 dollars. They are a close ally. They are going to be  
2 making reactors probably here at some point.

3 I would suggest that leading using leverage  
4 would produce the same result as it did for the nuclear  
5 suppliers group.

6 I would suggest it's not half as much fun and  
7 it won't result in happiness.

8 That concludes my presentation.

9 MR. FLY: Thanks, Henry. I think we have  
10 about 20 minutes for questions. Please raise your  
11 hand, and when I call on you, give your name and  
12 affiliation.

13 Any questions?

14 AUDIENCE SPEAKER: Can someone speak  
15 specifically to Jordan? I understand they have a large  
16 resource of uranium, 20,000 tons. They have now  
17 narrowed down their selection of vendors to two, Russia  
18 and a Japanese venture.

19 What kind of leverage -- I understand they are  
20 not willing to follow the UAE, giving up enrichment or  
21 processing, what kind of leverage can be applied  
22 specifically to Jordan?

1 MR. FLY: Henry?

2 MR. SOKOLSKI: There are two ways to look at  
3 this, there is the happy way and the sad way. Let's  
4 start with the sad part. If you're a real pessimist,  
5 10 to 50 years from now, do we have reasonable cause to  
6 know who's going to be running the country. That  
7 initiates questions.

8 The happier way to go -- the largest block of  
9 military exercises (Inaudible.) Without being an  
10 expert (Inaudible.)

11 We are looking at other areas that we have  
12 they may be interested in, also the case of Vietnam  
13 that has been in the press a lot recently, a bigger  
14 issue than the U.S./Vietnamese relationship.

15 I think in a variety of these cases, nuclear  
16 cooperation -- the adequate assessment of how important  
17 it really is for the relationship related to others.

18 SPEAKER: There are going to be different  
19 impacts. Let's say something like this passes, there  
20 are going to be different impacts on different  
21 countries. We have varying levels of leverage for  
22 different countries.

1           The other reality is some of these countries  
2 that are expressing interest in nuclear energy are  
3 doing just that, they're expressing interest in nuclear  
4 energy.

5           Whether they follow through or not is not  
6 clear.

7           I think where this really matters and some of  
8 the cases Henry just mentioned in the Republic of  
9 Korea, for instance, the standards that we set could  
10 have a profound influence on the direction South Korea  
11 goes. They are going to become a major nuclear  
12 exporter. It would be nice if they are following the  
13 standards.

14           When we look at this, there are some countries  
15 in this subject that do matter more than others. We  
16 have more influence with some than others.

17           I think having discussions with some eight,  
18 nine, ten countries on these cooperating agreements to  
19 lead to re-negotiations.

20           SPEAKER: By the way, Daryl raises a very  
21 interesting point. Japan right now is struggling right  
22 now to re-figure and think through whether it's going

1 to proceed to operate an enormous recycling plant that  
2 will produce -- if it works -- a chemical separation  
3 plant -- it is going to cost a lot of money to operate.

4           They really don't have the argument  
5 technically for doing this because they don't really  
6 have a breeder program to speak of.

7           They are saying well, maybe we can do this  
8 through waste management.

9           The United States, separate from any  
10 legislation, separate from Congress, ought to be  
11 speaking up and saying we don't recycle, you don't need  
12 to either.

13           Korea would say if the Japanese don't go  
14 ahead, it would take a lot of pressure off us. The  
15 French want to sell a carbon copy of the plant built  
16 for the Japanese in China, right next to military  
17 production of a nuclear plant.

18           By the way, to prove the reprocessing of  
19 American spent fuel, I understand the French aren't  
20 happy about that. Well, but shouldn't our Congress  
21 have a say on that.

22           That is a reason why maybe the standard would

1 be violated. It still could get an awful lot of  
2 momentum.

3 AUDIENCE SPEAKER: (Inaudible.)

4 MR. FLY: Can you stand up and speak a little  
5 louder so the Recorder can hear you?

6 AUDIENCE SPEAKER: National Journal Group.  
7 Congresswoman Ros-Lehtinen was sort of scoffing at  
8 procedural reasons why she believes her legislation is  
9 not going to make it through the Rules Committee onto  
10 the House Floor.

11 I am wondering if the panelists differ in  
12 their view to the reason she was citing, or what  
13 challenges do you see for that legislation passing?

14 MR. FLY: Daryl?

15 MR. KIMBALL: She's probably the authority of  
16 what to scoff about. I'm not familiar with her  
17 conversations with the Rules Committee. I can clearly  
18 see what those are. In terms of the hurdles, I think  
19 she outlined most of the key ones.

20 First of all, it's opening the door to  
21 consideration by the House. It's the process of  
22 working through a set of amendments that would come

1 forward dealing with the Administration's approach on  
2 this, which I think needs to be re-evaluated, and then  
3 does the Senate follow through with a companion bill,  
4 and that is a major question.

5           As we saw with the Cooperation Act, with  
6 India, the 123 agreement with India, whatever we  
7 accomplish in 2012 is not clear to me, but I think this  
8 is a process that if it's not dealt with this year by  
9 the House, I think we will be coming back to this in  
10 2013.

11           SPEAKER: I think Daryl is right. If not this  
12 year, next. I think the key thing that's happened,  
13 which is kind of interesting, the fact of the matter is  
14 you have an unanimous vote and a reporting out of the  
15 bill out of the Foreign Affairs Committee of the House  
16 and the willingness of both Chairman and Ranking Member  
17 of that committee to waive rules, and to have the House  
18 Foreign Services Committee then take it up, if they are  
19 willing to take it up on both sides -- this is not  
20 something that's going to be blown over and go away.

21           It is something that needs to be done. At a  
22 minimum, that ought to be a signal to people doing

1 review, the Executive. Let's not rush out with an  
2 initial agreement tomorrow. It might be untimely. It  
3 could actually precipitate a reaction, not a good one.

4 I would say rules that are not meant to be  
5 broke can always be changed.

6 It's my understanding that the chairman of  
7 that committee, who is the most vocal -- rules can be  
8 changed.

9 I would say lots of things at play here.

10 SPEAKER: I just wanted to highlight another  
11 piece of legislation, that also happens to be stuck in  
12 a House Committee right now, and this pertains to two  
13 treaties that the U.S. spear headed negotiations and  
14 signature on during the Bush Administration.

15 One is the 2005 amendment on physical  
16 protection of nuclear material and the other is the  
17 2005 international convention, and both treaties would  
18 strengthen the U.S. arsenal, if you will, to combat and  
19 prosecute.

20 Unfortunately, the legislation is still  
21 languishing in the House Judiciary Committee. This is  
22 another issue and something that is long past time for

1 Congress to get moving on.

2 SPEAKER: (Inaudible.)

3 SPEAKER: What Congresswoman Ros-Lehtinen said  
4 is correct, the Rules Committee's argument that this  
5 would somehow burden the Congress. Congress cannot  
6 find time to examine this.

7 These agreements are a long drawn out process.

8 I find it hard to believe there is going to be a rapid  
9 increase in the number of agreements coming out.

10 I have always been surprised that this  
11 Administration has not taken more of a leadership role  
12 on this issue. I am glad they are doing a review. I  
13 do have some hope that if the review ends up in the  
14 right place, I would hope they would be outspoken on  
15 this.

16 I think this issue actually fits nicely into  
17 President Obama's broader -- I think this compliments a  
18 lot of the Administration's other initiatives in this  
19 area.

20 I would hope that once this review is  
21 completed, that they do decide to embrace it and they  
22 would play more of a leadership role up here on the



1 Hill especially with the Senate, and hopefully help  
2 move along the legislation.

3 By the way, you could look at it this way, if  
4 they don't, they could be taken to school.

5 (Inaudible.)

6 AUDIENCE SPEAKER: At least two of you  
7 mentioned USAC. Could you talk about it a little  
8 further?

9 SPEAKER: The question had to do with two  
10 companies that operate fuel making plants in the United  
11 States. The proliferation implications of the plants  
12 operating here is zero.

13 The proliferation implications of subsidizing  
14 them, I think you have already heard, might be above  
15 zero. After all, what's good for the goose is good for  
16 the gander.

17 There was a great deal made about economics in  
18 the Bush Administration. It was uneconomic even to  
19 boil water with nuclear power.

20 That argument went into remission when we  
21 passed the Energy Policy Act of 2005. That argument  
22 sort of receded.

1           I think the second point would be if the  
2 Saudi's economic vitality depends on exports, there  
3 will be pressure about the source.

4           In the case of USAC, I don't know what its  
5 future is. With regard to the urethra project, which  
6 was put on hold, and the Russian project, it is  
7 something we would want to make sure that the  
8 agreements we reach with new prospective clients pass  
9 the test, or at least are reviewed by Congress.

10           What we are really talking about is having a  
11 vote when it doesn't look right.

12           By the way, Daryl and I are in agreement, if  
13 it didn't look right, it shouldn't have been approved.

14           MR. FLY: We are running out of time. Thank  
15 you all for coming.

16           (Applause.)

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