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109TH CONGRESS 2D SESSION

S. 3709

[Report No. 109-288]

To exempt from certain requirements of the Atomic Energy Act of 1954 United States exports of nuclear materials, equipment, and technology to India, and to implement the United States Additional Protocol.

IN THE SENATE OF THE UNITED STATES

July 20, 2006

Mr. Lugar, from the Committee on Foreign Relations, reported the following original bill; which was read twice and placed on the calendar

A BILL

To exempt from certain requirements of the Atomic Energy Act of 1954 United States exports of nuclear materials, equipment, and technology to India, and to implement the United States Additional Protocol.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

TITLE I—UNITED STATES-INDIA

2 PEACEFUL ATOMIC ENERGY

3 COOPERATION

4	SECTION 101.	CHORT	TITI E
4	SECTION TOL	SHUKI	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

- 5 This title may be cited as the "United States-India
- 6 Peaceful Atomic Energy Cooperation Act".

7 SEC. 102. SENSE OF CONGRESS.

- 8 It is the sense of Congress that—
- 9 (1) strong bilateral relations with India are in 10 the national interest of the United States;
- 12 (2) the United States and India share common 12 democratic values and the potential for increasing 13 and sustained economic engagement;
 - (3) commerce in civil nuclear energy with India by the United States and other countries has the potential to benefit the people of all countries;
 - (4) such commerce also represents a significant change in United States policy regarding commerce with countries not parties to the Nuclear Non-Proliferation Treaty, which remains the foundation of the international non-proliferation regime;
 - (5) any commerce in civil nuclear energy with India by the United States and other countries must be achieved in a manner that minimizes the risk of nuclear proliferation or regional arms races and

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1	maximizes India's adherence to international non-
2	proliferation regimes, including, in particular, the
3	Guidelines of the Nuclear Suppliers Group (NSG)
4	and
5	(6) the United States should not seek to facili-
6	tate or encourage the continuation of nuclear ex-
7	ports to India by any other party if such exports are
8	terminated under United States law.
9	SEC. 103. DECLARATION OF POLICY CONCERNING UNITED
10	STATES-INDIA PEACEFUL ATOMIC ENERGY
11	COOPERATION.
12	It shall be the policy of the United States with respect
13	to any peaceful atomic energy cooperation between the
14	United States and India—
15	(1) to achieve as quickly as possible a cessation
16	of the production by India and Pakistan of fissile
17	materials for nuclear weapons and other nuclear ex-
18	plosive devices;
19	(2) to achieve as quickly as possible the Govern-
20	ment of India's adherence to, and cooperation in, the
21	full range of international non-proliferation regimes
22	and activities, including India's—
23	(A) full participation in the Proliferation
24	Security Initiative:

1	(B) formal commitment to the Statement
2	of Interdiction Principles;
3	(C) public announcement of its decision to
4	conform its export control laws, regulations,
5	and policies with the Australia Group and with
6	the Guidelines, Procedures, Criteria, and Con-
7	trols List of the Wassenaar Arrangement; and
8	(D) demonstration of satisfactory progress
9	toward implementing the decision described in
10	subparagraph (C);
11	(3) to ensure that India remains in full compli-
12	ance with its non-proliferation, arms control, and
13	disarmament agreements, obligations, and commit-
14	ments;
15	(4) to ensure that any safeguards agreement or
16	Additional Protocol thereto to which India is a party
17	with the International Atomic Energy Agency
18	(IAEA) can reliably safeguard any export or reex-
19	port to India of any nuclear materials and equip-
20	ment;
21	(5) to meet the requirements set forth in sub-
22	sections a.(1) and a.(3)-a.(9) of section 123 of the
23	Atomic Energy Act of 1954 (42 U.S.C. 2153);
24	(6) to act in a manner fully consistent with the
25	Guidelines for Nuclear Transfers and the Guidelines

- for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software and Related Technology developed by the multilateral Nuclear Suppliers Group and the rules and practices regarding NSG decision-making;
 - (7) given the special sensitivity of equipment and technologies related to the enrichment of uranium, the reprocessing of spent nuclear fuel, and the production of heavy water, to work with members of the Nuclear Suppliers Group, individually and collectively, to further restrict the transfers of such equipment and technologies, including to India;
 - (8) to maintain the fullest possible international support for, adherence to, and compliance with the Nuclear Non-Proliferation Treaty; and
- 16 (9) that exports of nuclear fuel to India should 17 not contribute to, or in any way encourage, increases 18 in the production by India of fissile material for 19 non-civilian purposes.

20 SEC. 104. WAIVERS FOR COOPERATION WITH INDIA.

- 21 (a) WAIVER AUTHORITY.—If the President submits 22 a determination under section 105 to the appropriate con-23 gressional committees, the President may—
- 24 (1) subject to subsection (b), exempt a proposed 25 agreement for cooperation with India arranged pur-

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1	suant to section 123 of the Atomic Energy Act of
2	1954 (42 U.S.C. 2153) from the requirement of sub-
3	section a.(2) of such section;
4	(2) waive the application of section 128 of the
5	Atomic Energy Act of 1954 (42 U.S.C. 2157) with
6	respect to exports to India; and
7	(3) waive the application of any sanction with
8	respect to India under—
9	(A) section 129 a.(1)(D) of the Atomic En-
10	ergy Act of 1954 (42 U.S.C. 2158(a)(1)(D));
11	and
12	(B) section 129 of such Act (42 U.S.C.
13	2158) regarding any actions that occurred be-
14	fore July 18, 2005.
15	(b) Joint Resolution of Approval Require-
16	MENT.—An agreement for cooperation exempted by the
17	President pursuant to subsection (a)(1) shall be subject
18	to the second proviso in subsection d. of section 123 of
19	the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)) ap-
20	plicable to agreements exempted by the President pursu-
21	ant to subsection (a) of such section.

1	SEC. 105. DETERMINATION REGARDING UNITED STATES
2	INDIA PEACEFUL ATOMIC ENERGY COOPERA
3	TION.
4	The determination referred to in section 104 is a
5	written determination by the President, which shall be ac-
6	companied by a report to the appropriate congressional
7	committees, that—
8	(1) India has provided to the IAEA and the
9	United States a credible plan to separate its civil nu-
10	clear facilities, materials, and programs from its
11	military facilities, materials, and programs;
12	(2) India has filed a complete declaration re-
13	garding its civil nuclear facilities and materials with
14	the IAEA;
15	(3) an agreement between India and the IAEA
16	requiring the application of safeguards in perpetuity
17	in accordance with IAEA standards, principles, and
18	practices to civil nuclear facilities, programs, and
19	materials described in paragraph (2) has entered
20	into force and the text of such agreement has been
21	made available to the appropriate congressional com-
22	mittees;
23	(4) India and the IAEA are making substantial
24	progress toward implementing an Additional Pro-
25	tocol;

- (5) India is working with the United States to conclude a multilateral treaty on the cessation of the production of fissile materials for use in nuclear weapons or other nuclear explosive devices;
 - (6) India is supporting international efforts to prevent the spread of enrichment and reprocessing technology to any state that does not already possess full-scale, functioning enrichment or reprocessing plants;
 - (7) India has secured nuclear and other sensitive materials and technology through the application of comprehensive export control legislation and regulations, including through effective enforcement actions, and through harmonization of its control lists with, and adherence to, the guidelines of the Missile Technology Control Regime and the Nuclear Suppliers Group; and
 - (8) the Nuclear Suppliers Group has decided to permit civil nuclear commerce with India pursuant to a decision taken by the Nuclear Suppliers Group that—
 - (A) was made by consensus; and
- (B) does not permit nuclear commerce with any non-nuclear weapon state other than India that does not have IAEA safeguards on

1	all nuclear materials and all peaceful nuclear
2	activities within the territory of such state,
3	under its jurisdiction, or carried out under its
4	control anywhere.
5	SEC. 106. PROHIBITION ON CERTAIN EXPORTS AND REEX-
6	PORTS.
7	(a) Sense of Congress on Licensing Policy.—
8	It is the sense of Congress that it is in the interest of
9	the United States to permit the timely consideration of
10	applications for the export and reexport to India of any
11	nuclear materials and sensitive technology requiring au-
12	thorizations pursuant to parts 110 and 810 of title 10,
13	Code of Federal Regulations, to the extent that such ex-
14	ports and reexports are consistent with United States
15	laws, regulations, and policies in effect at the time such
16	export or reexport applications are to be considered.
17	(b) Prohibition.—
18	(1) In General.—
19	(A) Nuclear regulatory commis-
20	SION.—Except as provided in paragraph (2),
21	the Nuclear Regulatory Commission may not
22	authorize pursuant to part 110 of title 10, Code
23	of Federal Regulations, licenses for the export
24	or reexport to India of any equipment, mate-

rials, or technology related to the enrichment of

1	uranium, the reprocessing of spent nuclear fuel,
2	or the production of heavy water.
3	(B) Secretary of energy.—Except as
4	provided in paragraph (2), the Secretary of En-
5	ergy may not authorize pursuant to part 810 of
6	title 10, Code of Federal Regulations, licenses
7	for the export or reexport to India of any equip-
8	ment, materials, or technology related to the
9	enrichment of uranium, the reprocessing of
10	spent nuclear fuel, or the production of heavy
11	water.
12	(2) Exceptions.—Exports or reexports other-
13	wise prohibited under paragraph (1) may be ap-
14	proved if—
15	(A) the end user—
16	(i) is a multinational facility partici-
17	pating in an IAEA-approved program to
18	provide alternatives to national fuel cycle
19	capabilities; or
20	(ii) is a facility participating in, and
21	the export or reexport is associated with, a
22	bilateral or multinational program to de-
23	velop a proliferation-resistant fuel cycle
24	and

1 (B) the President determines that the ex-2 port or reexport will not improve India's ability 3 to produce nuclear weapons or fissile material 4 for military uses. SEC. 107. END-USE MONITORING PROGRAM. 6 (a) IN GENERAL.—The President shall ensure that all appropriate measures are taken to maintain account-8 ability with respect to nuclear materials, equipment, and technology sold, leased, exported, or reexported to India 10 and to ensure United States compliance with Article I of the Nuclear Non-Proliferation Treaty. 12 (b) Measures.—The measures taken pursuant to subsection (a) shall include the following: 13 14 (1) Obtaining and implementing assurances and 15 conditions pursuant to the export licensing authori-16 ties of the Nuclear Regulatory Commission and the 17 Department of Commerce and the authorizing au-18 thorities of the Department of Energy, including, as 19 appropriate, conditions regarding end-use moni-20 toring. 21 (2) A detailed system of reporting and account-22 ing for technology transfers, including any retrans-23 fers in India, authorized by the Department of En-

ergy pursuant to section 57 b. of the Atomic Energy

Act of 1954 (42 U.S.C. 2077(b)). Such system shall 1 2 be capable of providing assurances that— 3 (A) the identified recipients of the nuclear technology are authorized to receive the nuclear 4 technology; 6 (B) the nuclear technology identified for 7 transfer will be used only for peaceful safe-8 guarded nuclear activities and will not be used 9 for any military or nuclear explosive purpose; 10 and 11 (C) the nuclear technology identified for 12 transfer will not be retransferred without the 13 prior consent of the United States, and facili-14 ties, equipment, or materials derived through 15 the use of transferred technology will not be 16 transferred without the prior consent of the 17 United States. 18 (3) In the event the IAEA is unable to imple-19 ment safeguards as required by an agreement be-20 tween the United States and India arranged pursu-21 ant to section 123 of the Atomic Energy Act of 22 1954 (42 U.S.C. 2153), arrangements that conform 23 with IAEA safeguards standards, principles, and

practices that provide assurances equivalent to that

1	intended to be secure	d by the	e system	they	replace,
2	including—				

- (A) review in a timely fashion of the design of any equipment transferred pursuant to the agreement for cooperation, or of any facility that is to use, fabricate, process, or store any material so transferred or any special nuclear material used in or produced through the use of such material and equipment;
- (B) maintenance and disclosure of records and of relevant reports for the purpose of assisting in ensuring accountability for material transferred pursuant to the agreement and any source or special nuclear material used in or produced through the use of any material and equipment so transferred; and
- (C) access to places and data necessary to account for the material referred to in subparagraph (B) and to inspect any equipment or facility referred to in subparagraph (A).
- 21 (c) IMPLEMENTATION.—The measures described in 22 subsection (b) shall be implemented to provide reasonable 23 assurances that the recipient is complying with the rel-24 evant requirements, terms, and conditions of any licenses 25 issued by the United States regarding such exports, in-

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1	cluding those relating to the use, retransfer, safe handling,
2	secure transit, and storage of such exports.
3	SEC. 108. IMPLEMENTATION AND COMPLIANCE.
4	(a) Information on Nuclear Activities of
5	India.—The President shall keep the appropriate con-
6	gressional committees fully and currently informed of the
7	facts and implications of any significant nuclear activities
8	of India, including—
9	(1) any material non-compliance on the part of
10	the Government of India with—
11	(A) the non-proliferation commitments un-
12	dertaken in the Joint Statement of July 18,
13	2005, between the President of the United
14	States and the Prime Minister of India;
15	(B) the separation plan presented in the
16	national parliament of India on March 7, 2006,
17	and in greater detail on May 11, 2006;
18	(C) a safeguards agreement between the
19	Government of India and the IAEA;
20	(D) an Additional Protocol between the
21	Government of India and the IAEA;
22	(E) a peaceful nuclear cooperation agree-
23	ment between the Government of India and the
24	United States Government pursuant to section
25	123 of the Atomic Energy Act of 1954 (42

1	U.S.C. 2153) or any subsequent arrangement
2	under section 131 of such Act (42 U.S.C.
3	2160);
4	(F) the terms and conditions of any ap-
5	proved licenses; and
6	(G) United States laws and regulations re-
7	garding the export or reexport of nuclear mate-
8	rial or dual-use material, equipment, or tech-
9	nology;
10	(2) the construction of a nuclear facility in
11	India after the date of the enactment of this Act;
12	(3) significant changes in the production by
13	India of nuclear weapons or in the types or amounts
14	of fissile material produced; and
15	(4) changes in the purpose or operational status
16	of any unsafeguarded nuclear fuel cycle activities in
17	India.
18	(b) Implementation and Compliance Report.—
19	Not later than 180 days after the date on which an agree-
20	ment between the Government of India and the United
21	States Government pursuant to section 123 of the Atomic
22	Energy Act of 1954 (42 U.S.C. 2153) enters into force,
23	and annually thereafter, the President shall submit to the
24	appropriate congressional committees a report including—

1	(1) a description of any additional nuclear fa-
2	cilities and nuclear materials that the Government of
3	India has placed or intends to place under IAEA
4	safeguards;
5	(2) a comprehensive listing of—
6	(A) all licenses that have been approved by
7	the Nuclear Regulatory Commission and the
8	Secretary of Energy for exports and reexports
9	to India under parts 110 and 810 of title 10,
10	Code of Federal Regulations;
11	(B) any licenses approved by the Depart-
12	ment of Commerce for the export or reexport to
13	India of commodities, related technology, and
14	software which are controlled for nuclear non-
15	proliferation reasons on the Nuclear Referral
16	List of the Commerce Control List maintained
17	under part 774 of title 15, Code of Federal
18	Regulations;
19	(C) any other United States authorizations
20	for the export or reexport to India of nuclear
21	materials and equipment; and
22	(D) with respect to each such license or
23	other form of authorization described in sub-
24	paragraphs (A), (B), and (C)—

1	(i) the number or other identifying in-
2	formation of each license or authorization;
3	(ii) the name or names of the author-
4	ized end user or end users;
5	(iii) the name of the site, facility, or
6	location in India to which the export or re-
7	export was made;
8	(iv) the terms and conditions included
9	on such licenses and authorizations;
10	(v) any post-shipment verification pro-
11	cedures that will be applied to such exports
12	or reexports; and
13	(vi) the term of validity of each such
14	license or authorization;
15	(3) any significant nuclear commerce between
16	India and other countries, including any such trade
17	that—
18	(A) does not comply with applicable guide-
19	lines or decisions of the Nuclear Suppliers
20	Group; or
21	(B) would not meet the standards applied
22	to exports or reexports of such material, equip-
23	ment, or technology of United States origin;
24	(4) either—

1	(A) a certification that India is in full com-
2	pliance with the commitments and obligations
3	contained in the agreements and other docu-
4	ments referenced in subparagraphs (A) through
5	(F) of subsection $(a)(1)$; or
6	(B) if the President cannot make such cer-
7	tification, an identification and assessment of
8	all compliance issues arising with regard to the
9	adherence by India to its commitments and ob-
10	ligations, including—
11	(i) the steps the United States Gov-
12	ernment has taken to remedy or otherwise
13	respond to such compliance issues;
14	(ii) the responses of the Government
15	of India to such steps; and
16	(iii) an assessment of the implications
17	of any continued noncompliance, including
18	whether nuclear commerce with India, if
19	not already terminated under section 129
20	of the Atomic Energy Act of 1954 (42
21	U.S.C. 2158), remains in the national se-
22	curity interest of the United States;
23	(5) a detailed description of—
24	(A) United States efforts to promote na-
25	tional or regional progress by India and Paki-

1	stan in disclosing, securing, capping, and reduc-
2	ing their fissile material stockpiles, pending cre-
3	ation of a world-wide fissile material cut-off re-
4	gime, including the institution of a Fissile Ma-
5	terial Cut-off Treaty;
6	(B) the reactions of India and Pakistan to
7	such efforts; and
8	(C) assistance that the United States is
9	providing, or would be able to provide, to India
10	and Pakistan to promote the objectives in sub-
11	paragraph (A), consistent with its obligations
12	under international law and existing agree-
13	ments; and
14	(6) a detailed description of efforts and
15	progress made toward the achievement of India's—
16	(A) full participation in the Proliferation
17	Security Initiative;
18	(B) formal commitment to the Statement
19	of Interdiction Principles;
20	(C) public announcement of its decision to
21	conform its export control laws, regulations,
22	and policies with the Australia Group and with
23	the Guidelines, Procedures, Criteria, and Con-
24	trols List of the Wassenaar Arrangement; and

1	(D) demonstration of satisfactory progress
2	toward implementing the decision described in
3	subparagraph (C).
4	(c) Submittal With Other Annual Reports.—
5	(1) Report on proliferation preven-
6	TION.—Each annual report submitted under sub-
7	section (b) after the initial report may be submitted
8	together with the annual report on proliferation pre-
9	vention required under section 601(a) of the Nuclear
10	Non-Proliferation Act of 1978 (22 U.S.C. 3281(a)).
11	(2) Report on progress toward regional
12	NON-PROLIFERATION.—The information required to
13	be submitted under subsection (b)(5) after the initial
14	report may be submitted together with the annual
15	report on progress toward regional non-proliferation
16	required under section 620F(c) of the Foreign As-
17	sistance Act of 1961 (22 U.S.C. 2376(c)).
18	(d) FORM.—Each report submitted under this section
19	shall be submitted in unclassified form but may contain
20	a classified annex.
21	SEC. 109. UNITED STATES COMPLIANCE WITH ITS NUCLEAR
22	NON-PROLIFERATION TREATY OBLIGATIONS.
23	This title shall not be deemed to constitute authority
24	for any action in violation of any obligation of the United
25	States under the Nuclear Non-Proliferation Treaty.

1	SEC. 110. INOPERABILITY OF DETERMINATION AND WAIV-
2	ERS.
3	A determination under section 105 and any waiver
4	under section 104 shall cease to be effective if the Presi-
5	dent determines that India has detonated a nuclear explo-
6	sive device after the date of the enactment of this Act.
7	SEC. 111. MTCR ADHERENT STATUS.
8	Congress finds that India is not an MTCR adherent
9	for the purposes of Section 73 of the Arms Export Control
10	Act (22 U.S.C. 2797b).
11	SEC. 112. TECHNICAL AMENDMENT.
12	Section 1112(c)(4) of the Arms Control and Non-
13	proliferation Act of 1999 (title XI of the Admiral James
14	W. Nance and Meg Donovan Foreign Relations Act, Fiscal
15	Years 2000 and 2001 (as enacted into law by section
16	1000(a)(7) of Public Law 106–113 and contained in ap-
17	pendix G of that Act; 113 Stat. 1501A-486)) is amend-
18	ed—
19	(1) in subparagraph (B), by striking "and"
20	after the semicolon at the end;
21	(2) by redesignating subparagraph (C) as sub-
22	paragraph (D); and
23	(3) by inserting after subparagraph (B) the fol-
24	lowing new subparagraph:
25	"(C) so much of the reports required under
26	section 108 of the United States-India Peaceful

	
1	Atomic Energy Cooperation Act as relates to
2	verification or compliance matters; and".
3	SEC. 113. DEFINITIONS.
4	In this title:
5	(1) The term "Additional Protocol" means a
6	protocol additional to a safeguards agreement with
7	the IAEA, as negotiated between a country and the
8	IAEA based on a Model Additional Protocol as set
9	forth in IAEA information circular (INFCIRC) 540.
10	(2) The term "appropriate congressional com-
11	mittees" means the Committee on Foreign Relations
12	of the Senate and the Committee on International
13	Relations of the House of Representatives.
14	(3) The term "atomic energy" has the meaning
15	given the term in section 11 c. of the Atomic Energy
16	Act of 1954 (42 U.S.C. 2014(c)).
17	(4) The term "dual-use material, equipment, or
18	technology" means material, equipment, or tech-
19	nology that may be used in nuclear or non-nuclear
20	applications.
21	(5) The term "IAEA safeguards" has the
22	meaning given the term in section 830(3) of the Nu-
23	clear Proliferation Prevention Act of 1994 (22)

U.S.C. 6305(3)).

- (6) The term "nuclear materials and equip-ment" means source material, special nuclear material, production and utilization facilities and any components thereof, and any other items or mate-rials that are determined to have significance for nu-clear explosive purposes pursuant to subsection 109 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2139(b)).
 - (7) The term "Nuclear Non-Proliferation Treaty" means the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (21 UST 483).
 - (8) The terms "nuclear weapon" and "nuclear explosive device" mean any device designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one point of trinitrotoluene (TNT).
 - (9) The terms "reprocessing" and "reprocess" refer to the separation of nuclear materials from fission products in spent nuclear fuel.
- 24 (10) The term "sensitive nuclear technology" 25 has the meaning given the term in section 4(5) of

1	the Nuclear Nonproliferation Act of 1978 (22
2	U.S.C. 3203(5)).
3	(11) The term "source material" has the mean-
4	ing given the term in section 11 z. of the Atomic
5	Energy Act of 1954 (42 U.S.C. 2014(z)).
6	(12) The term "special nuclear material" has
7	the meaning given the term in section 11 aa. of the
8	Atomic Energy Act of 1954 (42 U.S.C. 2014(aa)).
9	(13) The term "unsafeguarded nuclear fuel-
10	cycle activity" means research on, or development,
11	design, manufacture, construction, operation, or
12	maintenance of—
13	(A) any existing or future reactor, critical
14	facility, conversion plant, fabrication plant, re-
15	processing plant, plant for the separation of iso-
16	topes of source or special fissionable material,
17	or separate storage installation with respect to
18	which there is no obligation to accept IAEA
19	safeguards at the relevant reactor, facility,
20	plant, or installation that contains source or
21	special fissionable material; or
22	(B) any existing or future heavy water pro-
23	duction plant with respect to which there is no

obligation to accept IAEA safeguards on any

1	nuclear material produced by or used in connec-
2	tion with any heavy water produced therefrom.
3	TITLE II—UNITED STATES ADDI-
4	TIONAL PROTOCOL IMPLE-
5	MENTATION
6	SEC. 201. SHORT TITLE.
7	This title may be cited as the "United States Addi-
8	tional Protocol Implementation Act".
9	SEC. 202. DEFINITIONS.
10	In this title:
11	(1) Additional protocol.—The term "Addi-
12	tional Protocol", when used in the singular form,
13	means the Protocol Additional to the Agreement be-
14	tween the United States of America and the Inter-
15	national Atomic Energy Agency for the Application
16	of Safeguards in the United States of America, with
17	Annexes, signed at Vienna June 12, 1998 (T. Doc.
18	107–7).
19	(2) Appropriate congressional commit-
20	TEES.—The term "appropriate congressional com-
21	mittees" means the Committee on Armed Services,
22	the Committee on Foreign Relations, and the Com-
23	mittee on Appropriations of the Senate and the

Committee on Armed Services, the Committee on

- International Relations, and the Committee on Appropriations of the House of Representatives.
- 3 (3) COMPLEMENTARY ACCESS.—The term
 4 "complementary access" means the exercise of the
 5 IAEA's access rights as set forth in Articles 4 to 6
 6 of the Additional Protocol.
- 7 (4) EXECUTIVE AGENCY.—The term "executive 8 agency" has the meaning given such term in section 9 105 of title 5, United States Code.
 - (5) Facility.—The term "facility" has the meaning set forth in Article 18i. of the Additional Protocol.
 - (6) IAEA.—The term "IAEA" means the International Atomic Energy Agency.
 - (7) Judge of the United States" means a United States district judge, or a United States magistrate judge appointed under the authority of chapter 43 of title 28, United States Code.
 - (8) Location.—The term "location" means any geographic point or area declared or identified by the United States or specified by the International Atomic Energy Agency.
- 24 (9) NUCLEAR NON-PROLIFERATION TREATY.—
 25 The term "Nuclear Non-Proliferation Treaty"

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- means the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March
- 4 5, 1970 (21 UST 483).

- (10) Nuclear-weapon state party and Non-Nuclear-weapon state Party.—The terms "nuclear-weapon State Party" and "non-nuclear-weapon State Party" have the meanings given such terms in the Nuclear Non-Proliferation Treaty.
 - otherwise provided, means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, any State or any political subdivision thereof, or any political entity within a State, any foreign government or nation or any agency, instrumentality or political subdivision of any such government or nation, or other entity located in the United States.
 - (12) SITE.—The term "site" has the meaning set forth in Article 18b. of the Additional Protocol.
- (13) UNITED STATES.—The term "United States", when used as a geographic reference, means the several States of the United States, the District of Columbia, and the commonwealths, territories, and possessions of the United States and includes all

1	places under the jurisdiction or control of the United
2	States, including—
3	(A) the territorial sea and the overlying
4	airspace;
5	(B) any civil aircraft of the United States
6	or public aircraft, as such terms are defined in
7	paragraphs (17) and (41), respectively, of sec-
8	tion 40102(a) of title 49, United States Code;
9	and
10	(C) any vessel of the United States, as
11	such term is defined in section 3(b) of the Mar-
12	itime Drug Law Enforcement Act (46 U.S.C.
13	App. 1903(b)).
14	(14) Wide-Area environmental sam-
15	PLING.—The term "wide-area environmental sam-
16	pling" has the meaning set forth in Article 18g. of
17	the Additional Protocol.
18	SEC. 203. SEVERABILITY.
19	If any provision of this title, or the application of
20	such provision to any person or circumstance, is held in-
21	valid, the remainder of this title, or the application of such
22	provision to persons or circumstances other than those as
23	to which it is held invalid shall not be affected thereby

1 Subtitle A—General Provisions

2 SEC. 211. AUTHORITY.

- 3 (a) In General.—The President is authorized to
- 4 implement and carry out the provisions of this title and
- 5 the Additional Protocol and shall designate through Exec-
- 6 utive order which executive agency or agencies of the
- 7 United States, which may include but are not limited to
- 8 the Department of State, the Department of Defense, the
- 9 Department of Justice, the Department of Commerce, the
- 10 Department of Energy, and the Nuclear Regulatory Com-
- 11 mission, shall issue or amend and enforce regulations in
- 12 order to implement this title and the provisions of the Ad-
- 13 ditional Protocol.
- 14 (b) Included Authority.—For any executive agen-
- 15 cy designated under subsection (a) that does not currently
- 16 possess the authority to conduct site vulnerability assess-
- 17 ments and related activities, the authority provided in sub-
- 18 section (a) includes such authority.
- 19 (c) Exception.—The authority described in sub-
- 20 section (b) does not supersede or otherwise modify any
- 21 existing authority of any Federal department or agency
- 22 already having such authority.

1 Subtitle B—Complementary Access

2	SEC. 221. REQUIREMENT FOR AUTHORITY TO CONDUCT
3	COMPLEMENTARY ACCESS.
4	(a) Prohibition.—No complementary access to any
5	location in the United States shall take place pursuant to
6	the Additional Protocol without the authorization of the
7	United States Government in accordance with the require-
8	ments of this title.
9	(b) Authority.—
10	(1) In general.—Complementary access to
11	any location in the United States subject to access
12	under the Additional Protocol is authorized in ac-
13	cordance with this title.
14	(2) United states representatives.—
15	(A) RESTRICTIONS.—In the event of com-
16	plementary access to a privately owned or oper-
17	ated location, no employee of the Environ-
18	mental Protection Agency or of the Mine Safety
19	and Health Administration or the Occupational
20	Safety and Health Administration of the De-
21	partment of Labor may participate in the ac-
22	cess.
23	(B) Number.—The number of designated
24	United States representatives accompanying

1	IAEA inspectors shall be kept to the minimum
2	necessary.
3	SEC. 222. PROCEDURES FOR COMPLEMENTARY ACCESS.
4	(a) In General.—Each instance of complementary
5	access to a location in the United States under the Addi-
6	tional Protocol shall be conducted in accordance with this
7	subtitle.
8	(b) Notice.—
9	(1) In general.—Complementary access re-
10	ferred to in subsection (a) may occur only upon the
11	issuance of an actual written notice by the United
12	States Government to the owner, operator, occupant,
13	or agent in charge of the location to be subject to
14	complementary access.
15	(2) Time of notification.—The notice under
16	paragraph (1) shall be submitted to such owner, op-
17	erator, occupant, or agent as soon as possible after
18	the United States Government has received notifica-
19	tion that the IAEA seeks complementary access. No-
20	tices may be posted prominently at the location if
21	the United States Government is unable to provide
22	actual written notice to such owner, operator, occu-
23	pant, or agent.
24	(3) Content of Notice.—

1	(A) In General.—The notice required by
2	paragraph (1) shall specify—
3	(i) the purpose for the complementary
4	access;
5	(ii) the basis for the selection of the
6	facility, site, or other location for the com-
7	plementary access sought;
8	(iii) the activities that will be carried
9	out during the complementary access;
10	(iv) the time and date that the com-
11	plementary access is expected to begin, and
12	the anticipated period covered by the com-
13	plementary access; and
14	(v) the names and titles of the inspec-
15	tors.
16	(4) Separate notices required.—A sepa-
17	rate notice shall be provided each time that com-
18	plementary access is sought by the IAEA.
19	(c) Credentials.—The complementary access team
20	of the IAEA and representatives or designees of the
21	United States Government shall display appropriate iden-
22	tifying credentials to the owner, operator, occupant, or
23	agent in charge of the location before gaining entry in con-
24	nection with complementary access.
25	(d) Scope.—

1	(1) In general.—Except as provided in a war-
2	rant issued under section 223, and subject to the
3	United States Government's rights under the Addi-
4	tional Protocol to limit complementary access, com-
5	plementary access to a location pursuant to this title
6	may extend to all activities specifically permitted for
7	such locations under Article 6 of the Additional Pro-
8	tocol.
9	(2) Exception.—Unless required by the Addi-
10	tional Protocol, no inspection under this title shall
11	extend to—
12	(A) financial data (other than production
13	data);
14	(B) sales and marketing data (other than
15	shipment data);
16	(C) pricing data;
17	(D) personnel data;
18	(E) patent data;
19	(F) data maintained for compliance with
20	environmental or occupational health and safety
21	regulations; or
22	(G) research data.
23	(e) Environment, Health, Safety, and Secu-
24	RITY.—In carrying out their activities, members of the
25	IAEA complementary access team and representatives or

designees of the United States Government shall observe 1 2 applicable environmental, health, safety, and security reg-3 ulations established at the location subject to complemen-4 tary access, including those for protection of controlled environments within a facility and for personal safety. SEC. 223. CONSENTS, WARRANTS, AND COMPLEMENTARY 6 7 ACCESS. (a) IN GENERAL.— 8 9 (1) Procedure.— 10 (A) Consent.—Except as provided in 11 paragraph (2), an appropriate official of the 12 United States Government shall seek or have 13 the consent of the owner, operator, occupant, or 14 agent in charge of a location prior to entering 15 that location in connection with complementary 16 access pursuant to sections 221 and 222. The 17 owner, operator, occupant, or agent in charge of 18 the location may withhold consent for any rea-19 son or no reason. 20 (B)Administrative SEARCH WAR-21 RANT.—In the absence of consent, the United 22 States Government may seek an administrative 23 search warrant from a judge of the United

States under subsection (b). Proceedings re-

garding the issuance of an administrative

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search warrant shall be conducted ex parte, unless otherwise requested by the United States Government.

(2) Expedited access.—For purposes of obtaining access to a location pursuant to Article 4b.(ii) of the Additional Protocol in order to satisfy United States obligations under the Additional Protocol when notice of two hours or less is required, the United States Government may gain entry to such location in connection with complementary access, to the extent such access is consistent with the Fourth Amendment to the United States Constitution, without obtaining either a warrant or consent.

14 (b) Administrative Search Warrants for Com-15 Plementary Access.—

> (1) Obtaining administrative search war-Rants.—For complementary access conducted in the United States pursuant to the Additional Protocol, and for which the acquisition of a warrant is required, the United States Government shall first obtain an administrative search warrant from a judge of the United States. The United States Government shall provide to such judge all appropriate information regarding the basis for the selection of the facil-

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1	ity, site, or other location to which complementary
2	access is sought.
3	(2) Content of Affidavits for administra-
4	TIVE SEARCH WARRANTS.—A judge of the United
5	States shall promptly issue an administrative search
6	warrant authorizing the requested complementary
7	access upon an affidavit submitted by the United
8	States Government—
9	(A) stating that the Additional Protocol is
10	in force;
11	(B) stating that the designated facility,
12	site, or other location is subject to complemen-
13	tary access under the Additional Protocol;
14	(C) stating that the purpose of the com-
15	plementary access is to verify the correctness
16	and completeness of information declared by
17	the United States Government pursuant to Ar-
18	ticle 2 of the Additional Protocol;
19	(D) stating that the requested complemen-
20	tary access is in accordance with Article 4 of
21	the Additional Protocol;
22	(E) containing assurances that the scope
23	of the IAEA's complementary access, as well as
24	what it may collect, shall be limited to the ac-

1	cess provided for in Article 6 of the Additional
2	Protocol;
3	(F) listing the items, documents, and areas
4	to be searched and seized;
5	(G) stating the earliest commencement and
6	the anticipated duration of the complementary
7	access period, as well as the expected times of
8	day during which such complementary access
9	will take place; and
10	(H) stating that the location to which
11	entry in connection with complementary access
12	is sought was selected either—
13	(i) because there is probable cause, or
14	the basis of specific evidence, to believe
15	that information required to be reported
16	regarding a location pursuant to regula-
17	tions promulgated under this title is incor-
18	rect or incomplete, and that the location to
19	be accessed contains evidence regarding
20	that violation; or
21	(ii) pursuant to a reasonable general
22	administrative plan based upon specific
23	neutral criteria.
24	(3) Content of Warrants.—A warrant
25	issued under paragraph (2) shall specify the same

1	matters required of an affidavit under that para-
2	graph. In addition, each warrant shall contain the
3	identities of the representatives of the IAEA on the
4	complementary access team and the identities of the
5	representatives or designees of the United States
6	Government required to display identifying creden-
7	tials under section 222(c).
8	SEC. 224. PROHIBITED ACTS RELATING TO COMPLEMEN-
9	TARY ACCESS.
10	It shall be unlawful for any person willfully to fail
11	or refuse to permit, or to disrupt, delay, or otherwise im-
12	pede, a complementary access authorized by this subtitle
13	or an entry in connection with such access.
14	Subtitle C—Confidentiality of
15	Information
16	SEC. 231. PROTECTION OF CONFIDENTIALITY OF INFORMA-
17	TION.
18	Information reported to, or otherwise acquired by, the
19	United States Government under this title or under the
20	Additional Protocol shall be exempt from disclosure under
21	sections 552 of title 5, United States Code.
22	Subtitle D—Enforcement
23	SEC. 241. RECORDKEEPING VIOLATIONS.
24	It shall be unlawful for any person willfully to fail
25	or refuse—

1	(1) to establish or maintain any record required
2	by any regulation prescribed under this title;
3	(2) to submit any report, notice, or other infor-
4	mation to the United States Government in accord-
5	ance with any regulation prescribed under this title;
6	or
7	(3) to permit access to or copying of any record
8	by the United States Government in accordance with
9	any regulation prescribed under this title.
10	SEC. 242. PENALTIES.
11	(a) Civil.—
12	(1) Penalty amounts.—Any person that is
13	determined, in accordance with paragraph (2), to
14	have violated section 224 or section 241 shall be re-
15	quired by order to pay a civil penalty in an amount
16	not to exceed \$25,000 for each violation. For the
17	purposes of this paragraph, each day during which
18	a violation of section 224 continues shall constitute
19	a separate violation of that section.
20	(2) Notice and Hearing.—
21	(A) In general.—Before imposing a pen-
22	alty against a person under paragraph (1), the
23	head of an executive agency designated under
24	section 211(a) shall provide the person with no-

tice of the order. If, within 15 days after receiv-

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- ing the notice, the person requests a hearing, the head of the designated executive agency shall initiate a hearing on the violation.
 - (B) CONDUCT OF HEARING.—Any hearing so requested shall be conducted before an administrative judge. The hearing shall be conducted in accordance with the requirements of section 554 of title 5, United States Code. If no hearing is so requested, the order imposed by the head of the designated agency shall constitute a final agency action.
 - (C) Issuance of orders.—If the administrative judge determines, upon the preponderance of the evidence received, that a person named in the complaint has violated section 224 or section 241, the administrative judge shall state his findings of fact and conclusions of law, and issue and serve on such person an order described in paragraph (1).
 - (D) Factors for determination of Penalty amounts.—In determining the amount of any civil penalty, the administrative judge or the head of the designated agency shall take into account the nature, circumstances, extent, and gravity of the violation

or violations and, with respect to the violator, the ability to pay, effect on ability to continue to do business, any history of such violations, the degree of culpability, the existence of an internal compliance program, and such other matters as justice may require.

- (E) CONTENT OF NOTICE.—For the purposes of this paragraph, notice shall be in writing and shall be verifiably served upon the person or persons subject to an order described in paragraph (1). In addition, the notice shall—
 - (i) set forth the time, date, and specific nature of the alleged violation or violations; and
 - (ii) specify the administrative and judicial remedies available to the person or persons subject to the order, including the availability of a hearing and subsequent appeal.
- (3) ADMINISTRATIVE APPELLATE REVIEW.—
 The decision and order of an administrative judge shall be the recommended decision and order and shall be referred to the head of the designated executive agency for final decision and order. If, within 60 days, the head of the designated executive agency

1	does not modify or vacate the decision and order, it
2	shall become a final agency action under this sub-
3	section.
4	(4) Judicial Review.—A person adversely af-
5	fected by a final order may, within 30 days after the
6	date the final order is issued, file a petition in the
7	Court of Appeals for the District of Columbia Cir-
8	cuit or in the Court of Appeals for the district in
9	which the violation occurred.
10	(5) Enforcement of final orders.—
11	(A) In general.—If a person fails to
12	comply with a final order issued against such
13	person under this subsection and—
14	(i) the person has not filed a petition
15	for judicial review of the order in accord-
16	ance with paragraph (4), or
17	(ii) a court in an action brought under
18	paragraph (4) has entered a final judg-
19	ment in favor of the designated executive
20	agency,
21	the head of the designated executive agency
22	shall commence a civil action to seek compliance
23	with the final order in any appropriate district
24	court of the United States.

1	(B) No review.—In any such civil action,
2	the validity and appropriateness of the final
3	order shall not be subject to review.
4	(C) Interest.—Payment of penalties as-
5	sessed in a final order under this section shall
6	include interest at currently prevailing rates
7	calculated from the date of expiration of the 60-
8	day period referred to in paragraph (3) or the
9	date of such final order, as the case may be.
10	(b) Criminal.—Any person who violates section 224
11	or section 241 may, in addition to or in lieu of any civil
12	penalty which may be imposed under subsection (a) for
13	such violation, be fined under title 18, United States Code,
14	imprisoned for not more than five years, or both.
15	SEC. 243. SPECIFIC ENFORCEMENT.
16	(a) Jurisdiction.—The district courts of the United
17	States shall have jurisdiction over civil actions brought by
18	the head of an executive agency designated under section
19	211(a)—
20	(1) to restrain any conduct in violation of sec-
21	tion 224 or section 241; or
22	(2) to compel the taking of any action required
23	by or under this title or the Additional Protocol.
24	(b) CIVIL ACTIONS.—

1	(1) In general.—A civil action described in
2	subsection (a) may be brought—
3	(A) in the case of a civil action described
4	in paragraph (1) of such subsection, in the
5	United States district court for the judicial dis-
6	trict in which any act, omission, or transaction
7	constituting a violation of section 224 or section
8	241 occurred or in which the defendant is
9	found or transacts business; or
10	(B) in the case of a civil action described
11	in paragraph (2) of such subsection, in the
12	United States district court for the judicial dis-
13	trict in which the defendant is found or trans-
14	acts business.
15	(2) Service of process.—In any such civil
16	action, process shall be served on a defendant wher-
17	ever the defendant may reside or may be found.
18	Subtitle E—Environmental
19	Sampling
20	SEC. 251. NOTIFICATION TO CONGRESS OF IAEA BOARD AP-
21	PROVAL OF WIDE-AREA ENVIRONMENTAL
22	SAMPLING.
23	(a) In General.—Not later than 30 days after the
24	date on which the Board of Governors of the IAEA ap-
25	proves wide-area environmental sampling for use as a safe-

1	guards verification tool, the President shall notify the ap-
2	propriate congressional committees.
3	(b) Content.—The notification under subsection (a)
4	shall contain—
5	(1) a description of the specific methods and
6	sampling techniques approved by the Board of Gov-
7	ernors that are to be employed for purposes of wide-
8	area sampling; and
9	(2) a statement as to whether or not such sam-
10	pling may be conducted in the United States under
11	the Additional Protocol.
12	SEC. 252. APPLICATION OF NATIONAL SECURITY EXCLU-
13	SION TO WIDE-AREA ENVIRONMENTAL SAM-
13 14	SION TO WIDE-AREA ENVIRONMENTAL SAM- PLING.
14	PLING.
14 15	PLING. In accordance with Article 1(b) of the Additional Pro-
14 15 16 17	PLING. In accordance with Article 1(b) of the Additional Protocol, the United States shall not permit any wide-area
14 15 16 17	PLING. In accordance with Article 1(b) of the Additional Protocol, the United States shall not permit any wide-area environmental sampling proposed by the IAEA to be con-
14 15 16 17	PLING. In accordance with Article 1(b) of the Additional Protocol, the United States shall not permit any wide-area environmental sampling proposed by the IAEA to be conducted at a specified location in the United States under
114 115 116 117 118	PLING. In accordance with Article 1(b) of the Additional Protocol, the United States shall not permit any wide-area environmental sampling proposed by the IAEA to be conducted at a specified location in the United States under Article 9 of the Additional Protocol unless the President
14 15 16 17 18 19 20	PLING. In accordance with Article 1(b) of the Additional Protocol, the United States shall not permit any wide-area environmental sampling proposed by the IAEA to be conducted at a specified location in the United States under Article 9 of the Additional Protocol unless the President has determined and reported to the appropriate congressions.
14 15 16 17 18 19 20 21	PLING. In accordance with Article 1(b) of the Additional Protocol, the United States shall not permit any wide-area environmental sampling proposed by the IAEA to be conducted at a specified location in the United States under Article 9 of the Additional Protocol unless the President has determined and reported to the appropriate congressional committees that—
14 15 16 17 18 19 20 21	PLING. In accordance with Article 1(b) of the Additional Protocol, the United States shall not permit any wide-area environmental sampling proposed by the IAEA to be conducted at a specified location in the United States under Article 9 of the Additional Protocol unless the President has determined and reported to the appropriate congressional committees that— (1) the proposed use of wide-area environmental

1	(2) the proposed use of wide-area environmental
2	sampling will not result in access by the IAEA to lo-
3	cations, activities, or information of direct national
4	security significance; and
5	(3) the United States—
6	(A) has been provided sufficient oppor-
7	tunity for consultation with the IAEA if the
8	IAEA has requested complementary access in-
9	volving wide-area environmental sampling; or
10	(B) has requested under Article 8 of the
11	Additional Protocol that the IAEA engage in
12	complementary access in the United States that
13	involves the use of wide-area environmental
14	sampling.
15	SEC. 253. APPLICATION OF NATIONAL SECURITY EXCLU-
16	SION TO LOCATION-SPECIFIC ENVIRON-
17	MENTAL SAMPLING.
18	In accordance with Article 1(b) of the Additional Pro-
19	tocol, the United States shall not permit any location-spe-
20	cific environmental sampling in the United States under
21	Article 5 of the Additional Protocol unless the President
22	has determined and reported to the appropriate congres-
23	sional committees that—
24	(1) the proposed use of location-specific envi-
25	ronmental sampling will not result in access by the

1	IAEA to locations, activities, or information of direct
2	national security significance; and
3	(2) with respect to the proposed use of environ-
4	mental sampling, the United States—
5	(A) has been provided sufficient oppor-
6	tunity for consultation with the IAEA if the
7	IAEA has requested complementary access in-
8	volving location-specific environmental sam-
9	pling; or
10	(B) has requested under Article 8 of the
11	Additional Protocol that the IAEA engage in
12	complementary access in the United States that
13	involves the use of location-specific environ-
14	mental sampling.
15	Subtitle F—Authorization of
16	Appropriations
17	SEC. 261. AUTHORIZATION OF APPROPRIATIONS.
18	There are authorized to be appropriated such sums
19	as may be necessary to carry out this title.

Calendar No. 527

109TH CONGRESS S. 3709

[Report No. 109-288]

A BILL

To exempt from certain requirements of the Atomic Energy Act of 1954 United States exports of nuclear materials, equipment, and technology to India, and to implement the United States Additional Protocol.

July 20, 2006

Read twice and placed on the calendar