

ACCURACY

PERFORMANCE



ACCOUNTABILITY

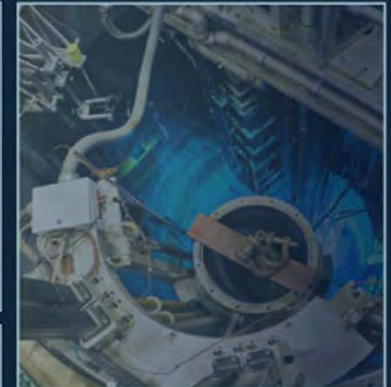


THE NUCLEAR MATERIALS MANAGEMENT AND SAFEGUARDS SYSTEM (NMMSS)

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USERS ANNUAL TRAINING MEETING

 MAY 20-23, 2013 - ST. LOUIS, MISSOURI 



Agreements for Peaceful Nuclear Cooperation and Reciprocal Obligations

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Presentation Outline

- I. Introduction
- II. Agreements for Peaceful Nuclear Cooperation
- III. Reciprocal Obligations
- IV. Conclusion

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I. Introduction

- Agreements for peaceful nuclear cooperation between and among governments allow for the lawful export of nuclear material and equipment
 - When concluded by the United States, these agreements are commonly referred to as “123 agreements”
- These agreements create obligations on states to fulfill conditions contained in the agreement and provide information about how material and items transferred subject to the agreement are being used



II. Agreements for Peaceful Nuclear Cooperation

- Legal authority to conclude an agreement for peaceful nuclear cooperation comes from Section 123 of the Atomic Energy Act of 1954, as amended
- 123 agreements establish a legal framework under which U.S. suppliers may export:
 - Nuclear material (reactor fuel)
 - Nuclear reactors
 - Significant reactor components (pressure vessels, calandrias, complete control rod reactor systems, primary coolant pumps, on-line refueling mechanisms)

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II. Agreements for Peaceful Nuclear Cooperation

- Benefits of a 123 agreement
 - Nonproliferation
 - U.S. consent rights attach to U.S.-obligated material and equipment for enrichment, reprocessing, storage, retransfer
 - Full scope IAEA safeguards and physical security requirements
 - Commercial
 - Agreement provides the legal foundation for U.S. suppliers to export material and equipment
 - Network of 123 agreements allows U.S. companies to partner with foreign firms for additional market opportunities (e.g. Westinghouse content in KEPCO UAE bid)



II. Agreements for Peaceful Nuclear Cooperation

- The United States has 24 123 agreements in force with:
 - Argentina
 - Australia
 - Brazil
 - Canada
 - China
 - Colombia
 - Egypt
 - EURATOM (27 countries)
 - India
 - Indonesia
 - Japan
 - Kazakhstan
 - Republic of Korea
 - Morocco
 - Norway
 - Russian Federation
 - South Africa
 - Switzerland
 - Thailand
 - Turkey
 - Ukraine
 - United Arab Emirates
 - International Atomic Energy Agency
 - Taiwan (through non-gov't channels)

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II. Agreements for Peaceful Nuclear Cooperation

- Current 123 agreement negotiations
 - Republic of Korea (current agreement expires March 2014)
 - Taiwan (current agreement expires June 2014)
 - Saudi Arabia
 - Jordan
 - Vietnam
- Upcoming 123 agreement negotiations
 - China (current agreement expires December 2015)
 - International Atomic Energy Agency (current agreement expires August 2014)



III. Reciprocal Obligations

- Evolution of Obligations in 123 Agreements
 - In early years of U.S. global nuclear cooperation, 123 agreements were predominantly unilateral, supply agreements with one way obligations
 - In late 1970s, 123 agreement nonproliferation conditions became more strict while additional suppliers entered the market
 - In response, modern 123 agreements carry reciprocal obligations
 - The U.S. is now commonly bound to conditions and limitations imposed by the partner state
 - Obligations only attach when items are transferred subject to the Agreement

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III. Reciprocal Obligations

■ Reporting Requirements

- Cooperation patterns with major trading partners are well established (Australia, Canada, Euratom, Japan)
- The United States maintains administrative arrangements with these states specifying detailed procedures to account for obligated material
- Led by the Department of Energy (DOE), the United States has negotiated and intends to negotiate administrative arrangements with our increasing number of nuclear partners

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III. Reciprocal Obligations

- Reporting Requirements (continued)
 - The United States strives for standard language in its 123 agreements and administrative arrangements, but different partners may have different sensitivities and priorities
 - Variance in reporting requirements may result
 - As the number of civil nuclear programs grow, this trend may continue

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III. Reciprocal Obligations

- What current/future partners are likely to export large quantities of their obligated material to United States?
 - China?
 - Republic of Korea?
 - Southeast Asian partners?
 - Kazakhstan?
 - Russia?
 - India?

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IV. Conclusions

- 123 agreements provide the legal foundation for the export of U.S. material, reactors, and significant reactor components
- The number of 123 agreements and U.S. nuclear trading partners is likely to rise in the next few decades
- Due to reciprocal obligations, inventory reporting requirements are likely to increase in quantity, variety, and become more sensitive to policy makers, and consequently also to industry

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Questions/comments?