

105<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3743

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IN THE SENATE OF THE UNITED STATES

AUGUST 31, 1998

Received; read twice and referred to the Committee on Foreign Relations

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## AN ACT

To withhold voluntary proportional assistance for programs and projects of the International Atomic Energy Agency relating to the development and completion of the Bushehr nuclear power plant in Iran, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Iran Nuclear Prolifera-  
5 tion Prevention Act of 1998”.

6 **SEC. 2. FINDINGS.**

7        The Congress makes the following findings:

8            (1) Iran remains the world’s leading sponsor of  
9 international terrorism and is on the Department of  
10 State’s list of countries that provide support for acts  
11 of international terrorism.

12           (2) Iran has repeatedly called for the destruc-  
13 tion of Israel and Iran supports organizations, such  
14 as Hizballah, Hamas, and the Palestine Islamic  
15 Jihad, which are responsible for terrorist attacks  
16 against Israel.

17           (3) Iranian officials have stated their intent to  
18 complete at least three nuclear power plants by 2015  
19 and are currently working to complete the Bushehr  
20 nuclear power plant located on the Persian Gulf  
21 coast.

22           (4) The United States has publicly opposed the  
23 completion of reactors at the Bushehr nuclear power  
24 plant because the transfer of civilian nuclear tech-

1 nology and training could help to advance Iran's nu-  
2 clear weapons program.

3 (5) In an April 1997 hearing before the Sub-  
4 committee on Near Eastern and South Asian Affairs  
5 of the Committee on Foreign Relations of the Sen-  
6 ate, the former Director of the Central Intelligence  
7 Agency, James Woolsey, stated that through the op-  
8 eration of the nuclear power reactor at the Bushehr  
9 nuclear power plant, Iran will develop substantial ex-  
10 pertise relevant to the development of nuclear weap-  
11 ons.

12 (6) Construction of the Bushehr nuclear power  
13 plant was halted following the 1979 revolution in  
14 Iran because the former West Germany refused to  
15 assist in the completion the plant due to concerns  
16 that completion of the plant could provide Iran with  
17 expertise and technology which could advance Iran's  
18 nuclear weapons program.

19 (7) Iran is building up its offensive military ca-  
20 pacity in other areas as evidenced by its recent test-  
21 ing of engines for ballistic missiles capable of carry-  
22 ing 2,200 pound warheads more than 800 miles,  
23 within range of strategic targets in Israel.

24 (8) In January 1995 Iran signed a  
25 \$780,000,000 contract with the Russian Federation

1 for Atomic Energy (MINATOM) to complete a  
2 VVER-1000 pressurized-light water reactor at the  
3 Bushehr nuclear power plant.

4 (9) In March of 1998, Russia confirmed its in-  
5 tention to complete work on the two reactors at the  
6 Bushehr nuclear power plant and agreed in principle  
7 to the construction of two more reactors at the  
8 Bushehr site.

9 (10) At least one reactor could be operational  
10 within a few years and it would subsequently provide  
11 Iran with substantial expertise to advance its nu-  
12 clear weapons program.

13 (11) Iran ranks tenth among the 105 nations  
14 receiving assistance from the technical cooperation  
15 program of the International Atomic Energy Agen-  
16 cy.

17 (12) Between 1995 and 1999, the International  
18 Atomic Energy Agency has provided and is expected  
19 to provide a total of \$1,550,000 through its Tech-  
20 nical Assistance and Cooperation Fund for the Ira-  
21 nian nuclear power program, including reactors at  
22 the Bushehr nuclear power plant.

23 (13) The United States provides annual con-  
24 tributions to the International Atomic Energy Agen-  
25 cy which total more than 25 percent of the annual

1 assessed budget of the Agency and the United  
2 States also provides annual voluntary contributions  
3 to the Technical Assistance and Cooperation Fund  
4 of the Agency which total approximately 32 percent  
5 (\$16,000,000 in 1996) of the annual budget of the  
6 program.

7 (14) The United States should not voluntarily  
8 provide funding for the completion of nuclear power  
9 reactors which could provide Iran with substantial  
10 expertise to advance its nuclear weapons program  
11 and potentially pose a threat to the United States or  
12 its allies.

13 (15) Iran has no need for nuclear energy be-  
14 cause of its immense oil and natural gas reserves  
15 which are equivalent to 9.3 percent of the world's re-  
16 serves and Iran has 73,000,000,000 cubic feet of  
17 natural gas, an amount second only to the natural  
18 gas reserves of Russia.

19 **SEC. 3. WITHHOLDING OF VOLUNTARY CONTRIBUTIONS TO**  
20 **THE INTERNATIONAL ATOMIC ENERGY AGEN-**  
21 **CY FOR PROGRAMS AND PROJECTS IN IRAN.**

22 Section 307 of the Foreign Assistance Act of 1961  
23 (22 U.S.C. 2227) is amended by adding at the end the  
24 following:

1 “(d) Notwithstanding subsection (c), the limitations  
2 of subsection (a) shall apply to programs and projects of  
3 the International Atomic Energy Agency in Iran.”.

4 **SEC. 4. ANNUAL REVIEW BY SECRETARY OF STATE OF PRO-**  
5 **GRAMS AND PROJECTS OF THE INTER-**  
6 **NATIONAL ATOMIC ENERGY AGENCY; UNITED**  
7 **STATES OPPOSITION TO PROGRAMS AND**  
8 **PROJECTS OF THE AGENCY IN IRAN.**

9 (a) ANNUAL REVIEW.—

10 (1) IN GENERAL.—The Secretary of State shall  
11 undertake a comprehensive annual review of all pro-  
12 grams and projects of the International Atomic En-  
13 ergy Agency in the countries described in section  
14 307(a) of the Foreign Assistance Act of 1961 (22  
15 U.S.C. 2227(a)) and shall determine if such pro-  
16 grams and projects are consistent with United  
17 States nuclear nonproliferation and safety goals.

18 (2) REPORT.—Not later than 1 year after the  
19 date of the enactment of this Act and on an annual  
20 basis thereafter for 5 years, the Secretary shall pre-  
21 pare and submit to the Congress a report containing  
22 the results of the review under paragraph (1).

23 (b) OPPOSITION TO CERTAIN PROGRAMS AND  
24 PROJECTS OF INTERNATIONAL ATOMIC ENERGY AGEN-  
25 CY.—The Secretary of State shall direct the United States

1 representative to the International Atomic Energy Agency  
2 to oppose the following:

3           (1) Programs of the Agency that are deter-  
4           mined by the Secretary under the review conducted  
5           under subsection (a)(1) to be inconsistent with nu-  
6           clear nonproliferation and safety goals of the United  
7           States.

8           (2)(A) Technical assistance programs or  
9           projects of the Agency designed to develop or com-  
10          plete the Bushehr nuclear power plant in Iran.

11          (B) Subparagraph (A) shall not apply with re-  
12          spect to programs or projects of the Agency that  
13          provide for the discontinuation, dismantling, or safe-  
14          ty inspection of nuclear facilities or related mate-  
15          rials, or for inspections and similar activities de-  
16          signed to prevent the development of nuclear weap-  
17          ons by Iran.

18 **SEC. 5. REPORTING REQUIREMENTS.**

19          (a) IN GENERAL.—Not later than 180 days after the  
20          date of the enactment of this Act and on an annual basis  
21          thereafter for 5 years, the Secretary of State, in consulta-  
22          tion with the United States representative to the Inter-  
23          national Atomic Energy Agency, shall prepare and submit  
24          to the Congress a report that—

1           (1) describes the total amount of annual assist-  
2           ance to Iran from the International Atomic Energy  
3           Agency, a list of Iranian officials in leadership posi-  
4           tions at the Agency, the expected timeframe for the  
5           completion of the nuclear power reactors at the  
6           Bushehr nuclear power plant, and a summary of the  
7           nuclear materials and technology transferred to Iran  
8           from the Agency in the preceding year which could  
9           assist in the development of Iran's nuclear weapons  
10          program; and

11          (2) contains a description of all programs and  
12          projects of the International Atomic Energy Agency  
13          in each country described in section 307(a) of the  
14          Foreign Assistance Act of 1961 (22 U.S.C. 2227(a))  
15          and any inconsistencies between the technical co-  
16          operation and assistance programs and projects of  
17          the Agency and United States nuclear nonprolifera-  
18          tion and safety goals in these countries.

19          (b) **ADDITIONAL REQUIREMENT.**—The report re-  
20          quired to be submitted under subsection (a) shall be sub-  
21          mitted in an unclassified form, to the extent appropriate,  
22          but may include a classified annex.

23          **SEC. 7. SENSE OF THE CONGRESS.**

24          It is the sense of the Congress that the United States  
25          Government should pursue internal reforms at the Inter-

1 national Atomic Energy Agency that will ensure that all  
2 programs and projects funded under the Technical Co-  
3 operation and Assistance Fund of the Agency are compat-  
4 ible with United States nuclear nonproliferation policy and  
5 international nuclear nonproliferation norms.

Passed the House of Representatives August 3,  
1998.

Attest:

ROBIN H. CARLE,

*Clerk.*