ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515–6115

JOHN D. DINGELL, MICHIGAN
CHAIRMAN



February 6, 2008

The Honorable Samuel W. Bodman
Secretary
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, D.C. 20585

Dear Secretary Bodman:

We have just learned that the Department of Energy's (DOE) highly touted nonproliferation program, intended to keep Soviet-era scientists from migrating to rogue states following the collapse of the Soviet Union, has been funding Russian research institutes working on nuclear projects in Iran. In 2006, Secretary of State Condoleezza Rice told Congress that the United States faces "no greater challenge from a single country" than from Iran. In October 2007, the National Intelligence Estimate concluded, "Iranian entities are continuing to develop a range of technical capabilities that could be applied to producing nuclear weapons, if a decision is made to do so."

Given these dire warnings, it is troubling that DOE would subsidize or otherwise support Russian institutes providing technology and services to the Iranian nuclear program. The Committee therefore requests that the Department quantify the number of Russian institutes that are supporting Iran's nuclear program, and explain why U.S. taxpayers should continue to subsidize Russian nuclear institutes that are working on Iran's nuclear program.

On January 23, 2008, the Committee on Energy and Commerce's Subcommittee on Oversight and Investigations held a hearing on the Initiatives for Proliferation Prevention (IPP) program, whose stated goal is to prevent underemployed or unemployed weapons of mass destruction (WMD) scientists from selling their knowledge to terrorist groups or countries of concern. The National Nuclear Security Administration (NNSA) is currently funding more than 100 projects at institutes in Russia and other former Soviet Union (FSU) countries.

At the January 23, 2008, hearing, Adam Scheinman, the Assistant Deputy Administrator for the NNSA's Office of Nonproliferation and International Security, was asked whether any of the institutes funded by the IPP program were also working on Iran's nuclear program. Mr. Scheinman testified that he was "not aware" of any DOE-funded institutes that also worked on nuclear "fuel transfer" at the Buhsher nuclear project in Iran. He added, "I would have to go back and see whether our work involves any of the institutes involved in the fuel transfer, the reactor."

The Committee on Energy and Commerce was provided with Russian-origin documents that describe the activities of two IPP-funded institutes that are involved with Iran's nuclear program—the Scientific Research Institute of Measuring Systems (NIIIS) and the Federal Scientific and Industrial Center of Nuclear Machine Building (OKBM)—both of which are in Nizhniy Novgorod, Russia. We requested that the Government Accountability Office (GAO) provide the Committee with the documents related to Buhsher, which they had obtained from officials when visiting Russian institutes.

One PowerPoint presentation by NIIIS describes their work on automated nuclear reactor control systems for Buhsher and other plants. NIIIS has $2.65 million in IPP projects related to mapping of geologic structures. A PowerPoint presentation by OKBM, which has built seven heavy-water reactors, describes work at the Buhsher reactor installing hundreds of circulation pumps and ventilation equipment. DOE has approved a 3-year, $1.037 million jointly funded project to develop submersible pumps for integral water reactors as part of the Global Nuclear Energy Partnership (GNEP), and a second project worth $1 million on radioactive medical waste management funded by the IPP program.

DOE's funding of Russian institutes working on the Buhsher reactor in Iran is questionable policy, because this activity enables the transfer of dual-use technologies, training, and the potential for "latent proliferation" emerging from a civilian nuclear program. Even a country in good standing under the Nonproliferation Treaty and subject to the International Atomic Energy Agency (IAEA) safeguards is able, under the cover of a civilian nuclear program, to move to the edge of nuclear weapons capability, and be situated only months away from nuclear weapons production once such a decision were made. That is the essence of a latent proliferation risk.

Beyond Buhsher, other concerns persist. Iran declared it would continue to build a uranium enrichment operation, even though Russia has shipped enriched uranium fuel to operate the Buhsher reactor. Iran is finalizing construction on a heavy water reactor at Arak, which can eventually provide a source of plutonium.

The revelations in these Russian documents raise additional questions. How many other Russian institutes funded by DOE are also performing work on the Iranian nuclear program? What kinds of support and materials are they providing and to which facilities? Are any of these

facilities informally providing support to Iran's nuclear program? How much support has DOE provided to these institutes in the form of overheads and supplemental payments to its scientists?

Given that the United Nations Security Council adopted two resolutions arising out of Iran's failure to cooperate with the IAEA on proliferation issues (Security Council resolutions 1696 (2006) and 1737 (2006)), what policy logic justifies DOE funding Russian institutes which are providing nuclear technology to Iran? How does this advance our non-proliferation goals?

Prior to making funding decisions, has the Office of Nonproliferation and International Security assessed whether DOE-funded institutes in Russia are working on Iran's nuclear program? In light of reports that DOE program staff participated in briefings at Russian institutes where work on the Buhsher nuclear power plant project was discussed, it is troubling that the Department's program leadership testified that they were "not aware".

Under Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce and its Subcommittee on Oversight and Investigations are investigating DOE's nonproliferation programs. The Committee requests the following documents relating to the Initiatives for Proliferation (IPP) Program:

1. a. A list of all Russian institutes that are or have been funded by the IPP (in whole or in part) since the program inception. Such list should be in a searchable format, and include the years of the project, the project description, and the amount of funding.

   b. This list should delineate all Russian institutes funded by the IPP which are or have provided materials, equipment, engineering, design, construction, operations support, training, computer hardware or software, or other services to Iran for any aspect of its nuclear program. For each Russian institute, please describe the types of support provided to the Iranian nuclear program.

2. A list of all Russian scientists who are or were funded by the IPP program and worked at institutes involved with the Iranian nuclear program. This list should identify which scientists were simultaneously or subsequently employed on projects relating to the Iranian nuclear program.

3. Any policy or procedures related to assessments of Iran's nuclear program as it relates to approval of IPP program funds.

4. Forms and procedures used by DOE and its participating labs and institutes to verify that no funds are spent on scientists or institutes involved with nuclear weapons programs, as required by Section 3136(a) of the fiscal year 2000 Defense Authorization Act.

5. A current list of all DOE-funded projects planned or underway in Russia or other FSU countries related to GNEP, with the program's funding source clearly identified.

6. A public version of the Transmittal and the Report of the United States and the Russian Federation Joint Working Group on the Development of a Bilateral Action Plan to Enhance Global and Bilateral Nuclear Energy Cooperation, dated December 15, 2006, with attachments.

Please produce such documents in paper or electronic form as requested above to the Committee within 14 days of receipt of this letter.

The Committee also requests a response to the following questions:

1. Does DOE policy allow U.S. funding of scientists at Russian institutes when these institutes are also working on projects related to the Iranian nuclear program?

2. Please explain how non-proliferation goals are advanced through the support of scientists and/or institutes that are working on nuclear projects with a country of proliferation concern.

3. Does DOE have an existing assessment or survey of which Russian institutes are working on Iranian nuclear program projects? If so, what is the date of this survey? Please provide the names of the individuals who prepared this document.

4. Has DOE assessed whether work performed for Iran at IPP-supported institutes is purely for peaceful purposes, and that materials, technology, and engineering are fully safeguarded? Please provide the names of the individuals who have or currently conduct this assessment.

5. How does DOE ensure that no U.S. funds are being used to support institutes or scientists performing work on nuclear weapons programs for countries of proliferation concern, as proscribed by Section 3136(a) of the FY2000 Defense Authorization Act?

6. Please explain how DOE has verified that the engineering, design, training, and technologies being provided to Iran are not fungible, and do not have the potential for latent proliferation or dual use in other Iranian nuclear programs? Please provide the names of the individuals who perform these assessments.

7. Does DOE have a list of countries of proliferation concern as required in Section 3136(a) of the FY2000 Defense Authorization Act? Please provide this list.

Please provide answers to these questions within 7 days of receipt of this letter.

If you have any questions, please contact us or have your staff contact John Sopko or Richard Miller with the Committee staff at (202) 226-2424.

Sincerely,

John D. Dingell
Chairman

Bart Stupak
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

The Honorable John Shimkus, Ranking Member
Subcommittee on Oversight and Investigations

The Honorable Condoleezza Rice, Secretary of State
U.S. Department of State

The Honorable Stephen J. Hadley, National Security Advisor
Executive Office of the President

The Honorable Thomas P. D'Agostino, Administrator
National Nuclear Security Administration