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COMPTROLLER GENERAL'S REPORT
TO THE HOUSE COMMITTEE ON
INTERNATIONAL RELATIONS

U.S. INTERNATIONAL NUCLEAR SAFE-
GUARDS RIGHTS--ARE THEY BEING
EFFECTIVELY EXERCISED?
Department of State
Energy Research and Development
Administration

D I G E S T



The United States, under bilateral agreements for cooperation in civil uses of atomic energy, has supplied nuclear materials and facilities to foreign countries. (See p. 1.)

The agreements with individual nations generally provide the United States with certain safe-guards rights so that it can make sure that nuclear exports are not diverted for unauthorized purposes. These rights include independent U.S. verification to assure compliance. (See p. 1.)

The United States has almost completely phased out its bilateral safeguards program in favor of international safeguards applied by the European Atomic Energy Community (EURATOM) and the International Atomic Energy Agency. However, in our opinion, it has not taken adequate steps to insure that these international safeguards applied to U.S.-supplied material and equipment are implemented effectively. (See p. 16.)

Neither the Agency nor EURATOM provide sufficient information for the United States to determine how effective the safeguards are. Officials of the Energy Research and Development Administration commented that the United States has some information on the effectiveness with which international safeguards are implemented and that additional information is being sought. (See pp. 16 and 28.)

Because foreign nuclear programs will continue to develop independently, effective international safeguards are crucial to U.S. and world security. However, based on limited observations of U.S. bilateral, Agency, and EURATOM safeguards, GAO believes current U.S. reliance on the international safeguards programs should be carefully scrutinized. Although examples in this re-

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port may be isolated cases, they point out the possibility of the United States relying on international safeguards that may not be adequately implemented. (See pp. 16 and 21.)

The United States can and should obtain greater assurances of the effectiveness of EURATOM and Agency safeguards. (See p. 21.)

The Joint U.S.-EURATOM Technical Working Group, established to verify the effectiveness of EURATOM safeguards applied to U.S.-supplied nuclear material, has not met since 1970.

The United States does not currently verify that EURATOM safeguards are effectively implemented. However, EURATOM and the Agency have negotiated, but have not yet implemented, an agreement pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons, providing for future Agency verification of EURATOM safeguards. (See p. 19.)

U.S. officials have pointed out areas where the United States can and should intensify its efforts to improve Agency safeguards. These and other possible methods for obtaining greater assurances of the effective application of international safeguards are discussed on pages 21 and 22.

There appears to be some practical question as to the circumstances under which the United States could or would reinstate its safeguards rights which have been suspended in favor of Agency safeguards. (See p. 23.)

U.S. officials have indicated the U.S. safeguards rights continue indefinitely after the bilateral agreements for cooperation expire; however, the agreements do not state this specifically. Since agreements with 10 countries expire within the next 5 years, this potential point of confusion should be clarified. (See p. 25.)

In 1974 arrangements involving the International Atomic Energy Agency, the United States agreed to provide nuclear power reactors and related enrichment services to Mexico and Yugoslavia without reserving U.S. residual

safeguards rights. At a minimum, these rights are important as a fallback in case the Agency safeguards system collapses. (See pp. 25 and 27.)

MATTERS FOR CONSIDERATION BY THE COMMITTEE

The Committee may wish to review with executive branch officials:

- The need to develop improved methods for assuring the United States that Agency and EURATOM safeguards are applied effectively.
- The need to provide the Congress with a thorough analysis of the bases on which the United States could and would exercise or reinstate its safeguards rights which have been suspended in favor of Agency safeguards.
- The need to clarify a possible point of confusion on the indefinite extension of U.S. safeguards rights after agreements for cooperation expire.
- The rationale for providing large amounts of nuclear material and equipment abroad, through the International Atomic Energy Agency, without reserving U.S. safeguards rights.

Because of the importance of effective international safeguards to U.S. and world security, the Committee may also wish to consider having representatives from the U.S. intelligence community provide a detailed briefing on the effectiveness of international nuclear safeguards applied instead of U.S. bilateral safeguards.

Executive branch officials declined to give GAO an intelligence briefing on the overall effectiveness of international safeguards because of the nature and source of the information. They said they would prefer to provide such information directly to the Committee rather than to GAO. (See p. 29.)