

US Abandons “Gold Standard” for Nuclear Trade Deals

Peter Weiss

President, Lawyers Committee on Nuclear Policy

April 30, 2012

Non-proliferation comes in many guises. One of the most important concerns the restrictions which are attached to transactions in which the sending country, which is often also the selling country, transfers nuclear material or technology to the receiving or buying country. Given the inherently conflicting dual purpose of NPT, i.e. the elimination of nuclear weapons under Art. VI and the promotion of so-called peaceful nuclear energy under Art. IV and V, it is little wonder that nuclear trade policy, much of which is in private hands, has attracted the attention of both its purveyors and its opponents. The latter are particularly alarmed, and rightly so, by a recent development affecting the nuclear trade policy of the United States.

On January 10 of this year, a letter signed by two high officials of the Obama administration informed two members of the US Congress that, following a year long policy review, it had been decided that, in the future, nuclear trade agreements would be negotiated with receiving countries on a case-by-case basis. This is a major departure from the previous policy exemplified by the 2009 agreement with the United Arab Emirates which, in view of its strict ENR requirements, had come to be known as the gold standard for such agreements. ENR, which is central to this discussion, stands for the prohibition of enrichment of uranium and reprocessing of plutonium, either of which could lead to the production of weapons grade fissile material.

It is interesting and significant to note that the letter to Congress, which has not been made public, states: “(W)e need to negotiate agreements that our partners can accept and that open doors to US industry.” The two partners next in line for nuclear trade agreements with the US are Vietnam and Jordan.

There is some opposition in Congress to the new case-by-case policy and it is not clear at this point whether it will be implemented as stated. What is clear, however, is that if the United States sets an example to the rest of the world of trade in nuclear materials without the strictest

possible safeguards, this will encourage other potential nuclear suppliers to follow suit. It is also clear that this will strike a heavy blow against the non-proliferation of nuclear weapons, which is the principal purpose of the treaty. In an editorial questioning the wisdom of the new policy, The New York Times asked "Shall we call it the Bronze Standard"?

It should be noted, in fairness, that other nuclear suppliers, including Russia and France, have not used the gold standard in their dealings with other countries and that the United States has made, but eventually abandoned, an effort to get the gold standard adopted by NSG, the Nuclear Suppliers Group.