8/22/2016



NUCLEAR CONTROL INSTITUTE Washington, DC

FOR IMMEDIATE RELEASE Tuesday, April 1, 2003

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HOUSE ENERGY BILL'S MEDICAL LOOPHOLE EASES EXPORTS OF BOMB-GRADE URANIUM

Washington---Language added to the Energy Policy Act of 2003, which the House Energy and Commerce Committee is marking up today and Wednesday, would lift existing restrictions on U.S. exports of bomb-grade, highly enriched uranium (HEU) for use in "targets" for medical isotope production. The provision, introduced by Rep. Richard Burr (R-N.C.), would remove the only incentive for isotope producers to cooperate in developing and converting to targets made from low enriched uranium, a material that cannot be directly used to make nuclear bombs.

"The Burr Amendment is well-motivated in seeking to ensure the continued U.S. availability of radioisotopes for medical diagnosis and treatment, but it needlessly undermines an important 1992 U.S. nonproliferation law and increases the risk of terrorists acquiring nuclear weapons," according to Dr. Edwin Lyman, president of Nuclear Control Institute (NCI), a non-proliferation research and advocacy center. "At a time when the threat of nuclear terrorism has never been greater, it is utterly irresponsible for Congress to make it easier for foreign companies to obtain U.S. bomb-grade materials."

The existing law being weakened is the so-called Schumer Amendment to the Energy Policy Act of 1992, which established strict conditions on the export of nuclear bomb-grade, "highly enriched" uranium (HEU) for use as reactor fuel or in targets to produce medical isotopes. The goal of the Schumer Amendment was to gradually achieve a total phase-out of U.S. HEU exports in order to prevent this material from being stolen or diverted for weapons. That goal has only become more important with the rise of al-Qaeda and other terrorist groups that seek to acquire nuclear weapons.

The proposed energy bill language would eliminate the Schumer Amendment's sensible controls on HEU exports for use in targets to produce medical isotopes, creating a loophole in the law that would allow foreign producers, such as MDS Nordion of Canada, to import substantial quantities of U.S. HEU with minimal restrictions. Nordion has already imported from the United States and stockpiled at its lightly guarded private facility in Ontario sufficient HEU sufficient for several nuclear weapons if stolen.

The Schumer amendment compels foreign nuclear operators – who use HEU either as reactor fuel, in targets used to produce medical isotopes, or both – to convert to low-enriched uranium (LEU), which is unsuitable for weapons. It does this by barring all exports

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of HEU, except on an interim basis to foreign operators who cannot yet convert to LEU but have committed to do so as soon as possible and are cooperating with U.S. scientists at Argonne National Laboratory to enable such conversion. Largely as a result of this U.S. law, three of the four remaining European reactors that relied on HEU fuel have pledged to convert to LEU fuel, a large new French reactor has been designed to use LEU fuel, and Nordion, the world's largest producer of medical isotopes, has pledged to convert to LEU targets, following the leads of Australia, which will begin utilizing such targets commercially within the next two years, and Indonesia and Argentina, which are in the process of converting to them.

The cost of conversion to LEU is not prohibitive and is well-justified by the non-proliferation benefit. Nevertheless, incentives such as that provided by the Schumer Amendment are needed to encourage industry to assume the additional expense of conversion.

"Without the leverage provided by the Schumer Amendment restrictions, no foreign isotope producer would ever be likely to convert its production process from utilization of HEU targets to much safer LEU targets," said Alan Kuperman, NCI senior policy analyst. "The result would be permanent U.S exports of increasing amounts of bomb-grade uranium – presenting a persistently ripe target for Osama bin Laden and his ilk."

Most important, the energy bill provision is unnecessary because it seeks to redress a problem that does not exist. No foreign isotope producer to date has been denied a request for U.S. exports of HEU. "Under current law no medical isotope producer can be denied exports of HEU so long as it is cooperating in the effort to convert its production to LEU. Thus, Rep. Burr's concerns are unwarranted because all responsible isotope producers already are assured a steady supply of target material to produce isotopes," Dr. Lyman noted. "Congress should be working to facilitate conversion of all isotope producers that remain dependent on bomb-grade uranium, not enacting measures to discourage conversion."

Indeed, there are only three major foreign producers of medical isotopes. Two of them – Mallinckrodt in the Netherlands and IRE in Belgium – do not rely on U.S. exports of HEU and have not requested such exports since enactment of the Schumer Amendment. The third, Nordion in Canada, consistently has received U.S. HEU for use in targets based on its pledge to cooperate in the development of and conversion to LEU targets as soon as possible. Conversion to an LEU target being developed by Nordion should be possible in the near future, as soon as Nordion makes the necessary modifications to its process line and waste management facility.

The Nuclear Control Institute has actively supported the phase-out of international HEU commerce for two decades, and has prepared numerous research papers, issue briefs, and articles that provide useful background on this issue. These documents also are available on our website at http://www.nci.org/heu.htm.