

Opening Statement of

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Before

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Full Committee Hearing,

Every State a Superpower?
Stopping the Spread of Nuclear Weapons in the 21st Century,

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Thank you, Mr. Chairman. I am going to actually read my testimony, if that is okay. I want to stay within the time limit. I realize how late it is. So, Mr. Chairman, Congresswoman Ros-Lehtinen, Members of the Committee, I want to thank you for inviting me here today to testify on how best to stop the bomb's further spread. It is a big topic that unfortunately encourages lengthy testimony, and as there are many pages in length, I would ask that my written testimony and two supporting be placed into the record.

I will only highlight my key findings. Before I do, though, I would like to congratulate you, the Ranking Member, and Members of this Committee, who signed the recent letter to Prime Minister Singh on the U.S.-India nuclear deal. The Committee's firm words on India's need to cut off its formal military-to-military ties and possible energy investments in Iran caught many off guard. Nonetheless they were right on target.

Most Beltway experts and pundits predict our diplomats will soon conclude a nuclear cooperative agreement with India by using murky, inventive language that will fail to meet the strict legal requirements of the Hyde Act. In this respect, I suspect they are right. These same observers cynically have assumed that Congress—and this Committee in particular—will avert their gaze on this point, roll over on the law's clear requirements, and play dead.

Your letter to Prime Minister Singh suggests otherwise. Certainly if the cynics are right and Congress fails to uphold the letter of the Hyde Act, most of what I and the other witnesses have said here today about blocking the bomb's further spread will not be of much value.

The NPT, the Nuclear Suppliers Group, and the International Atomic Energy Agency's safeguard system can hardly survive India-specific safeguards, guarantees of fuel supply after resuming nuclear testing in the case of India, or the export of U.S.-origin fuel making technology to India as if it were either a state that allowed complete IAEA inspections—which it does not—or actually was formally nuclear weapons state under the NPT. All of this is prohibited by the Hyde Act.

Finally, I think you and the Committee are right to demand that India foreswear its formal government military and energy investment ties to Iran as the bare minimum for U.S. strategic partnership. We should encourage India to continue its good diplomatic relations with Iran much as many of our allies have good diplomatic relations with Tehran. That Congress would approve transfers of controlled nuclear and space technology to India despite India's continue formal military-to-military ties (ties which no ally has—India is unique—even Russia does not have them) on the basis that this was somehow critical to make India a strategic partner of the U.S., though, I think, is totally untenable. I think every one on this Committee has made it very clear that this Committee recognizes that.

Now to my written testimony which details the need for Congress to bolster two simple ideas. The first is to stop acting as though the NPT guarantees nations the right to make nuclear fuel, a process that brings one to the brink of making bombs. As long as we insist—as some have heard today—that nations have this right and certainly the Department of Energy, our State Department's legal division, and the Iranian Foreign Ministry are actively promoting this view, we will never, I repeat, never be able to avoid a world full of nuclear weapons-ready states and fairly soon on.

The reason why suggests why the spread of nuclear power is so worrisome. If you give a nation just a large reactor program, you inevitably generate a nuclear staff trained not just to run the power plants, but to make the fuel to run them as well. The courses at MIT do not cut off with some clear breakpoint. The First Amendment applies in Boston, Cambridge, and everywhere else where nuclear experts are trained.

Proliferation-resistant reactors and fuel cycles, nuclear fuel assurances (a favorite of the Chairman) and I tread on thin ice here when I say this: Regional nuclear fuel centers, integrated safeguards under the Additional Protocol, none of these efforts have any hope of amicably mitigating the problem I have raised, and, as I detail in my testimony, could actually make things worse as long as the U.S. and other nations insist that nations have a sovereign *per se* right to make nuclear fuel under the NPT. In fact, they do not.

The words reprocessing, enrichment and nuclear fuel making do not even appear in the treaty. Instead, the NPT talks about sharing the benefits of peaceful nuclear energy and the possible benefits of peaceful nuclear explosives. By the way, one of the documents I am placing in the record is the most detailed historiography on the legal and negotiating history of all these issues, and I recommend it. It is a long, but a fruitful read.

Instead, the NPT talks about sharing the benefits of peaceful nuclear energy and the possible benefits of peaceful nuclear explosives. You will note that no nation, none, has ever asked nor has any state ever supplied the benefits of peaceful nuclear explosives. Why? Because once the analysis was done, the cost of excavating dirt with nuclear explosives turned out to be clearly far more expensive than just simply using TNT.

What I plead for in my testimony is to use the same sensible approach to account for the benefits of peaceful nuclear energy. This brings me to my written testimony's second and final suggestion that we should identify the full cost of nuclear power, internalizing all of its security and environmental costs, and direct and indirect subsidies, and use this number to compare against its non-nuclear alternatives.

This accounting could be best expedited by getting private banks and insurance firms—instead of governments—to finance and insure all of nuclear power's costs and risks. This is already done, I should note, with fossil-fuel-fired plants.

If this approach were adopted by us and other nations as the preferred way to support nuclear power -- something which I might note the British and German governments have already established as their preferred approach -- the most dangerous and uneconomical forms of nuclear power, nuclear fuel making and large nuclear projects in untrustworthy countries with small electrical grids, and dare I say countries in oil rich regions, would have extreme difficulty getting funded. I am being euphemistic. They would not get a nickel.

Those that did with government subsidies, moreover, would clearly and immediately stand out as the dubious economic and potentially dangerous undertakings that they truly are. This market-based approach is a standard that the U.S. and other nuclear power states ought to follow for a variety of reasons unrelated to nonproliferation. Certainly as we move towards carbon taxing, identifying the full costs of all energy options, including nuclear, would help assure that we choose the least costly approach to avoid climate change rather than basing it on whim.

Adopting this approach would also avoid creating yet another nonproliferation dual standard. In fact, there already are several popular international treaties whose principles go a long way to promote this approach that I identify in my written statement. We should back these principles.

I conclude by observing that preventing the bomb's further spread is something God's and Adam Smith's invisible hand has always been trying to help us with. We and nearly every other nuclear power reactor state, though, have fought off this assistance for the last half century or more by directly and indirectly persisting in subsidizing nuclear power's development, its financing, its insurance, its waste management, its safeguarding, and physical security.

If we are serious about promoting a healthy, self-sufficient nuclear industry that will not spread the most dangerous and uneconomic forms of nuclear power to the riskiest places,

we need only to end such coddling. This may take time. This may take effort. But it will save rather than cost more money, and I believe, more than other nonproliferation suggestion, return us and the world to a safer and saner place. Thank you very much.