To prohibit the Export-Import Bank of the United States from financing the export of nuclear technology, equipment, fuel, materials, or other goods or services to Saudi Arabia, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Van Hollen (for himself, Mr. Graham, Mr. Moran, and Mr. Merkley) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To prohibit the Export-Import Bank of the United States from financing the export of nuclear technology, equipment, fuel, materials, or other goods or services to Saudi Arabia, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Preventing Nuclear Proliferation in Saudi Arabia Act of 2019”.

SEC. 2. PROHIBITION ON EXPORT-IMPORT BANK FINANCING FOR EXPORT OF NUCLEAR TECHNOLOGY, EQUIPMENT, FUEL, MATERIALS, OR OTHER GOODS OR SERVICES TO SAUDI ARABIA.

(a) FINDINGS.—Congress makes the following findings:

(1) The Export-Import Bank of the United States identifies global nuclear power as a key and growing industry in which the Bank has played an important role by financing the export of United States nuclear equipment, fuel, technology, and services to foreign purchasers.

(2) In September 2012, the Export-Import Bank authorized a $2,000,000,000 direct loan to the Barakah One Company of the United Arab Emirates to finance the export of United States equipment and service-expertise for the construction of a nuclear power plant in the United Arab Emirates, the first of its kind on the Arabian Peninsula.

(3) The transaction to finance the construction of the Barakah nuclear power plant was enabled by the establishment of a bilateral nuclear cooperation agreement between the United States and the United Arab Emirates made pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153), in which the United Arab Emirates com-
mitted to forgo uranium enrichment and reprocessing on its territory and was obligated to bring into force an Additional Protocol to its Comprehensive Safeguards Agreement with the International Atomic Energy Agency.

(4) The nuclear cooperation agreement, which was signed on May 21, 2009, became known as the first “gold standard” civil nuclear agreement and was viewed as a step toward building a strong non-proliferation framework in the region.

(5) In accordance with that agreement, the United Arab Emirates reserves the right to amend its terms in the event the United States establishes a peaceful nuclear cooperation agreement with another non-nuclear-weapon state in the Middle East that is less prescriptive in scope and effect than its agreement with the United States.

(6) The Government of Saudi Arabia intends to develop an extensive civilian nuclear program, including the construction of 2 nuclear power reactors and multiple small modular reactors.

(7) For the construction of its first 2 nuclear power reactors, the Government of Saudi Arabia plans to issue a multi-billion dollar tender in 2020,
and among the potential suppliers is the United States.

(8) The Government of Saudi Arabia currently has in place a Small Quantities Protocol to its Comprehensive Safeguards Agreement with the International Atomic Energy Agency, an agreement that suspends the application of a number of safeguards requirements for a country with minimal nuclear material activities on its territory or under its jurisdiction.

(9) Despite its plans to develop an extensive civilian nuclear program and interest in the United States as a supplier of nuclear technology and expertise, the Government of Saudi Arabia has demonstrated little willingness to accept strong non-proliferation measures, such as an Additional Protocol to its Comprehensive Safeguards Agreement with the International Atomic Energy Agency, and has even expressed a desire for acquiring uranium enrichment technology.

(10) Fully functional with a quorum and if reauthorized beyond September 30, 2019, when its current charter lapses, the Export-Import Bank will regain its ability to finance United States nuclear
exports by extending loans and credit to foreign pur-
chasers.

(b) Sense of Congress.—It is the sense of Con-
gress that—

(1) any provision of financing assistance by the
Export-Import Bank of the United States to Saudi
Arabia for the import of United States nuclear tech-
nology, equipment, fuel, materials, or goods or serv-
dices should be conditioned on the commitment of the
Government of Saudi Arabia to renounce uranium
enrichment and reprocessing on its territory and its
adoption and implementation of an Additional Pro-
tocol to its Comprehensive Safeguards Agreement
with the International Atomic Energy Agency as a
way to advance United States nonproliferation and
nuclear cooperation objectives in the region; and

(2) to further bolster nonproliferation efforts in
the region, the United States should oppose, through
the Nuclear Suppliers Group, the export of nuclear
technology to Saudi Arabia until the Government of
Saudi Arabia has—

(A) committed to renouncing uranium en-
richment and reprocessing on its territory; and

(B) signed and implemented an Additional
Protocol to its Comprehensive Safeguards
Agreement with the International Atomic Energy Agency.

(c) PROHIBITION.—The Export-Import Bank of the United States may not guarantee, insure, or extend (or participate in the extension of) credit in connection with the export of nuclear technology, equipment, fuel, materials, or other goods or services to Saudi Arabia unless—

(1) the Government of Saudi Arabia—

(A) has in effect a nuclear cooperation agreement pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153);

(B) has signed and implemented an Additional Protocol to its Comprehensive Safeguards Agreement with the International Atomic Energy Agency; and

(C) has committed not to possess sensitive nuclear facilities within its territory or otherwise to engage in activities relating to the enrichment or reprocessing of nuclear material; and

(2) not less than 30 days before the Board of Directors of the Bank provides final approval to the guarantee, insurance, or extension (or participation in the extension) of credit, the Bank, in coordination with the Secretary of State and the Chairman of the
Nuclear Regulatory Commission, submits to the appropriate congressional committees a report that includes—

(A) a detailed description of, and an explanation for providing the guarantee, insurance, or extension (or participation in the extension) of credit for, the transaction;

(B) a description of the nuclear technology, equipment, fuel, materials, or other goods or services that will be exported to Saudi Arabia;

(C) the name, address, and place of incorporation or other legal organization of the immediate parent, the ultimate parent, and each immediate parent, if any, of the foreign entities that are parties to the transaction;

(D) the name of all United States businesses that are parties to the transaction; and

(E) the name of any and all other financial institutions involved in the transaction, including as advisors, underwriters, or a source of financing for the transaction.

(d) TREATMENT OF CONFIDENTIAL INFORMATION.—If the Export-Import Bank of the United States determines that any information required to be included in the
report under subsection (e)(2) should be made confidential, that information may be submitted in a separate and confidential report to the chairmen and ranking members of the appropriate congressional committees.

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of Senate; and

(B) the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives.

(2) SENSITIVE NUCLEAR FACILITY.—The term “sensitive nuclear facility” means any facility designed or used primarily for uranium enrichment, reprocessing of nuclear fuel, heavy water production, or fabrication of nuclear fuel containing plutonium.