



Press Release

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Nuclear Threat Initiative Commits \$50 Million to Create IAEA Nuclear Fuel Bank

Vienna, 19 September 2006 -- The Nuclear Threat Initiative (NTI) will contribute \$50 million to the International Atomic Energy Agency (IAEA) to help create a low-enriched uranium stockpile to support nations that make the sovereign choice not to build indigenous nuclear fuel cycle capabilities, NTI Co-Chairman Sam Nunn announced today in Vienna, Austria. The announcement was made in a speech at the IAEA Special Event on Assurances of Supply and Non-Proliferation as part of the Agency's 50th General Conference.

"This generous NTI pledge will jump start the nuclear fuel bank initiative," IAEA Director General Mohamed ElBaradei said. "It will provide urgent impetus to our efforts to establish mechanisms for non-discriminatory, non-political assurances of supply of fuel for nuclear power plants."

In his speech, Nunn said, "A country's decision to rely on imported fuel, rather than to develop an indigenous enrichment capacity, may pivot on one point: whether or not there is a mechanism that guarantees an assured international supply of nuclear fuel on a non-discriminatory, non-political basis to states that are meeting their non-proliferation obligations. We believe that such a mechanism can be achieved, and that we must take urgent, practical steps to do so."

NTI's contribution is contingent on two conditions, provided they are both met within the next two years:

1. that the IAEA takes the necessary actions to approve establishment of this reserve; and
2. that one or more member states contribute an additional \$100 million in funding or an equivalent value of low enriched uranium to jump-start the reserve.

Every other element of the arrangement - its structure, its location, the conditions for access - would be up to the IAEA and its member states to decide. Warren Buffett, one of NTI's key advisors, is financially backing and enabling this NTI commitment.

"This pledge is an investment in a safer world," Buffett said. "The concept of a backup fuel reserve has been discussed for many years. Its creation is inherently a governmental responsibility, but I hope that this pledge of funds will support governments in taking action to get this concept off the ground."

The proposal comes at a time when more nations are seeking nuclear energy to meet their development needs and are weighing available options to determine what will be the most secure and most economical way to ensure a reliable supply of nuclear fuel. As more nations seek nuclear energy, concerns have been raised about the nuclear fuel cycle. The report of the UN High Level Panel on Threats said that "...the proliferation risks from the enrichment of uranium and from the reprocessing of spent fuel are great and increasing."

Nunn said, "We envision that this stockpile will be available as a last-resort fuel reserve for nations that have made the sovereign choice to develop their nuclear energy based on foreign sources of fuel supply services-and therefore have no indigenous enrichment facilities. The goal of this proposed initiative is to help make fuel supplies from the international market more secure by offering customer states, that are in full compliance with their nonproliferation obligations, reliable access to a nuclear fuel reserve under impartial IAEA control should their supply arrangements be disrupted. In so doing, we hope to make a state's voluntary choice to rely on this market more secure."

Nunn expressed concern that "cooperation in nuclear security is being sorely tested today by mounting tensions over the three areas of consensus and commitment that created the *Nuclear Non-Proliferation Treaty (NPT)* and have held it together for nearly 40 years." Those three areas are:

1. The commitment of nuclear weapons states to make progress toward nuclear disarmament.
2. The commitment of non-nuclear weapons states to forego nuclear weapons.
3. The commitment of all nations to ensure NPT compliant member states access to nuclear technology for peaceful purposes.

Nunn explained that "none of these commitments exist in isolation. They are mutually dependent and mutually reinforcing. We must make continuous progress in all three areas or we will destroy the mutual trust that is essential for our survival. We are in a race between cooperation and catastrophe and, at this moment, the outcome is unclear."

He said that while the idea for a fuel reserve is not new, "there has been discussion of it, in some form, for several decades and it is provided for in the Agency's statute. NTI's commitment is intended to help move the discussion from words to deeds in this vital area of nuclear cooperation. Let me be clear: our proposal is distinct from, independent of, but consistent with other pending proposals. We strongly believe that our concept is essential whether or not any of the other proposals are adopted. I hope that we can together create a system of fuel assurances that can provide states confidence that their choice to rely on imported fuel supply will be secure, economical and in their best interest."

Nunn concluded, "We are all here at this conference with a high purpose. We must find new and better answers to the imperative of the nuclear age: how to maximize the value of nuclear power and minimize proliferation dangers. In truth, this challenge is the

responsibility of governments, but after decades of debate on this issue, action remains elusive. We believe these dangers are urgent and that is why we at NTI are stepping forward. It is now up to governments to act, and to act decisively. We are well past the time when we can take satisfaction with a step in the right direction. A gazelle running from a cheetah is taking steps in the right direction. It is no longer just a question of direction; it's a matter of speed."

About NTI

NTI is a charitable organization dedicated to reducing the threats from nuclear, biological and chemical weapons. The Initiative is governed by an international board of directors with members from China, France, India, Japan, Jordan, Pakistan, Russia, Sweden, the United Kingdom and the United States. It is a place where leaders with different perspectives and experience come together to find common ground and act on a common vision of global security.

From its inception, NTI has sought to lead by example and foster increased efforts by governments to counter nuclear dangers. NTI's goal is to reduce toward zero the chance that any nuclear, biological, or chemical weapon will ever be used anywhere, either by intent or accident.

NTI has been a strong supporter of the work and mission of the IAEA. In September 2001, NTI made an initial contribution to help launch the Agency's Nuclear Security Fund. Since that time, NTI has worked with the IAEA to support several other critical projects in assisting member states secure nuclear materials and in building the Agency's institutional capacity to continue and accelerate this work into the future.

The full text of Senator Nunn's speech can be found at www.nti.org.

NTI's International Board Members Express Support for NTI/IAEA Fuel Bank Proposal

"With growing concerns about volatile oil-prices, interest in nuclear electricity has experienced a renaissance. One advantage of civil nuclear energy production is that fuel for the reactors, low-priced low-enriched uranium (LEU), is available on the world market in abundance. However, some countries, like Iran, argue that delivery-safety of LEU is not sufficiently guaranteed and that they therefore must develop a national capacity of enrichment of uranium.

"Considering the market price of LEU, the building and operating a national facility for enrichment would be abnormally expensive. Furthermore, new or restarted nuclear enrichment facilities would put serious strain on the international joint efforts to prevent the spreading of nuclear weapons.

"With its proposals of an IAEA-owned and operated LEU fuel reserve, NTI offers a workable solution for a system of guaranteed, non-discriminatory, reasonably prized deliveries of reactor fuel, without negative impact on the all-important international Nuclear Non-proliferation Regime.

"NTI's offer to foot a substantial part of the bill for establishing a fuel reserve is an unprecedented contribution both to civil nuclear energy cooperation and development and to international security." -- *Ambassador Rolf Ekéus Chairman, Stockholm International Peace Research Institute (SIPRI)*

"The exhaustion of the world's fossil fuel resources in the next two to three decades is likely to boost nuclear power capacity worldwide. If the world is to fulfill its energy requirements without risking a wide dissemination of nuclear weapons-usable technologies, such as enrichment and reprocessing, placing these facilities under UN/IAEA direct ownership is the way of the future.

"NTI's proposal to organize a world nuclear fuel bank is designed to respond to a nation's legitimate right to develop peaceful nuclear energy, while avoiding proliferation risks. It is high time that major nuclear supplier countries organize such a bank by providing financial or material (low enriched uranium) resources to that effect.

"NTI offers a first step, which hopefully will be imitated by key nuclear nations." -- *Pierre Lellouche, French National Assembly*

"Now is the time for the IAEA and its member states to translate words into deeds and finally bring this concept-originally conceived as part of the IAEA's creation five decades ago-into reality." -- *Dr. William Perry, Stanford University, 19th U.S. Secretary of Defense*

"Experts from all over the world who contributed to *Universal Compliance*, the Carnegie Endowment's sweeping review of global non-proliferation, agreed that the best way to meet countries' needs for reliable fuel supply while reducing proliferation risks is through an internationally guaranteed fuel reserve managed by the IAEA.

"NTI's proposal takes a giant step toward making that a reality. There are few - if any - higher priorities for making the world a much safer place." -- *Dr. Jessica T. Mathews President, Carnegie Endowment for International Peace*

"An IAEA-owned and operated LEU fuel reserve will give nations confidence to pursue nuclear power without the risks and expense of building their own nuclear enrichment facilities. The international, voluntary and non-discriminatory character of NTI's proposed IAEA reserve is a necessary complement to other fuel assurance mechanisms. Now is the time to bring this concept into reality." -- *Professor Fujia Yang Academician, Chinese Academy of Sciences*

"This is a very bold and much needed initiative that has the potential of changing the paradigm in the international arena for generations to come. The world will be a safer place because of the IAEA's leadership role and vision." -- *General Eugene E. Habiger, United States Air Force (Ret.), Former Commander in Chief, U.S. Strategic Command*

"This initiative to help the IAEA become an independent, neutral and impartial supplier of fuel will do a great deal to help countries with their energy needs." -- *Dr. Nafis Sadik Special Adviser to the UN Secretary-General*

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About the IAEA

The International Atomic Energy Agency (IAEA) serves as the world's foremost intergovernmental forum for scientific and technical co-operation in the peaceful use of nuclear technology. Established as an autonomous organization under the United Nations (UN) in 1957, the IAEA carries out programmes to maximize the useful contribution of nuclear technology to society while verifying its peaceful use.

NOTE TO EDITORS: For additional information visit the [Press Section of the IAEA's website](#) or call the IAEA's Division of Public Information at (431) 2600-21270.

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