Mr. Chairman,

I am pleased to take the floor in thematic debate on Article III, which deals with safeguards and export control. I refer delegates to the U.S. working paper number 45, which addresses the issues before this Main Committee and its Subsidiary Body in greater detail. Our activities in these areas are described in detail in our national report, which is available on the U.S. State Department’s web site at www.state.gov/t/isn/npt/index.htm.

In this session I plan to deal with the safeguards and export control provisions of Article III. I intend to address nuclear security in the thematic debate on nonproliferation.

Article III requires non-nuclear-weapon States Parties to conclude comprehensive safeguards agreements with the IAEA. Such agreements are to cover all nuclear material in peaceful use in the state. The IAEA Board of Governors decided that their implementation should be designed to verify that a state’s declarations are correct and complete – that is, that there are no undeclared nuclear materials or activities in the state. An Additional Protocol gives the IAEA the stronger tools it needs to provide assurances that a state’s declarations are complete and that this Article III requirement is met. Therefore, the Additional Protocol is directly relevant to Article III.

Demands on the IAEA safeguards system have grown at a rate that far surpasses the real increase in regular budget resources for safeguards. The United States supports the continuing evolution of safeguards in a manner that improves efficiency and effectiveness. But we emphasize that maintaining effectiveness is essential to the credibility and integrity of the IAEA safeguards system.

Allow me to highlight a few of the recommendations in our working paper on these issues. For example, the Conference could:

- Emphasize the indispensable role of IAEA safeguards in the NPT regime and in assuring the peaceful uses of nuclear energy.
- Affirm that implementation of comprehensive safeguards agreements should be designed to verify the correctness and completeness of a State’s declarations.
- Recognize the Additional Protocol as the standard, in conjunction with a comprehensive safeguards agreement, for verifying that all nuclear material in
a country has been placed under safeguards, and that states are meeting the NPT safeguards requirement.

- Call on States that have not done so to bring an Additional Protocol into force.
- Emphasize the importance of maintaining the credibility, effectiveness, and integrity of the IAEA safeguards system, and stress that safeguards implementation should remain transparent, non-discriminatory, and objective.

Mr. Chairman, IAEA safeguards are at the forefront in addressing serious challenges to the nonproliferation regime, including unresolved cases of noncompliance with the nonproliferation provisions of the Treaty. In this regard, we emphasize the responsibility of the IAEA Board of Governors to report finding of noncompliance with safeguards agreements, in accordance with Article XII.C of the IAEA Statute, and the role of the UN Security Council in responding to any non-compliance that constitutes a threat to international peace and security. We will have more to say about the specific challenges in our statement to the Subsidiary Body, but allow me to cite some of the recommendations in our working paper:

- Take note of continuing concerns over unresolved cases of noncompliance with nonproliferation obligations, and welcome diplomatic efforts to resolve them.
- Underscore the need to resolve all cases of noncompliance in order to preserve the integrity of the Treaty and the IAEA safeguards system.
- Call on States Parties to take concerted action to promote and pursue diplomatic efforts to remedy all outstanding cases of noncompliance.

Article III also requires that safeguards be applied in connection with any transfer to a non-nuclear weapon State of nuclear materials and equipment especially designed or prepared for the processing, use, or production of special fissionable material. The Zangger Committee has developed and periodically updated a list of items subject to this requirement. The Nuclear Suppliers Group has developed Guidelines that apply to a wider set of nuclear and nuclear-related dual use goods, services and technology, and contain additional conditions on their transfer.

Like safeguards, nuclear export controls facilitate peaceful nuclear cooperation by providing essential assurances that such cooperation will not contribute to the proliferation of nuclear weapons. The United States has a comprehensive system of export controls that helps fulfill U.S. obligations under Articles I and III of the Treaty and UN Security Council Resolution 1540 (2004), as well as other UN Security Council Resolutions pertaining to nuclear nonproliferation.

Article III states that comprehensive safeguards shall be implemented in a manner designed to comply with Article IV and to avoid hampering development or cooperation in the peaceful uses of nuclear energy. As I mentioned in general debate, the United States has met its pledges to accept these same safeguards measures through our own voluntary offer safeguards agreement and Additional Protocol. One reason we do this is to demonstrate that accepting strong safeguards measures will not put a State at any economic disadvantage. To the contrary, they facilitate nuclear cooperation by building confidence that the fruits of such cooperation will not be misused or diverted to the manufacture of nuclear weapons.
In this regard, for example, the Conference could:

- Affirm that, in order to enable the fullest possible cooperation in the peaceful uses of nuclear energy, nuclear supply arrangements should provide confidence that nuclear transfers will not contribute to nuclear proliferation.
- Call for Parties to maintain export controls consistent with applicable relevant UN Security Council resolutions to ensure that transfers for peaceful purposes are not diverted for other purposes.
- Welcome and encourage updates to export control guidelines and control lists to take into account advances in technology and changes in procurement practices.
- Welcome and encourage cooperation among States Parties and through the IAEA to achieve high standards of international safeguards, export control, and nuclear security.

Thank you.