

## Why GAO Did This Study

The United States has 26 agreements in force for peaceful nuclear cooperation. Under the U.S. Atomic Energy Act of 1954, as amended, these agreements are a prerequisite to certain aspects of U.S. nuclear cooperation with other cooperating partners. GAO was asked to (1) quantify the amount and value of U.S. nuclear exports facilitated by these agreements, (2) assess U.S. efforts to support the U.S. nuclear industry's ability to compete for sales, and (3) examine U.S. nuclear industry challenges to exporting. To conduct this work, GAO reviewed and assessed data collection efforts by U.S. agencies from 1994 through 2008, analyzed available data, and interviewed U.S. industry representatives and U.S. and foreign government officials.

## What GAO Recommends

GAO recommends that Commerce (1) identify additional nuclear data that may better quantify the export benefits of nuclear cooperation agreements, (2) review its strategy document to identify markets and include benchmarks for evaluating progress, and (3) consider ways the interagency trade promotion committee may obtain a comprehensive range of U.S. industry views. Commerce agreed with our first two recommendations but disagreed with the third, stating that it already has mechanisms in place to obtain industry views. GAO is making this recommendation because Commerce needs to strengthen interagency coordination efforts to promote nuclear trade.

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## NUCLEAR COMMERCE

### Governmentwide Strategy Could Help Increase Commercial Benefits from U.S. Nuclear Cooperation Agreements with Other Countries

## What GAO Found

No single federal agency systematically tracks and reports the data necessary to determine the amount and value of U.S. nuclear exports facilitated by U.S. nuclear cooperation agreements. Data from the departments of Commerce, Energy (DOE), State, and the Nuclear Regulatory Commission (NRC) contain gaps and in some cases were not sufficiently detailed for GAO's reporting purposes. Using data from the United Nations Commodity Trade Statistics database, GAO found that the United States' share of global exports of nuclear material, reactors, and components has declined in the last 15 years. For example, the amount of U.S. exports of sensitive nuclear material such as natural and enriched uranium remained stable, while the U.S. share of global exports for these materials decreased significantly, from 29 percent to 10 percent, from 1994 through 2008. The United States also imports sensitive nuclear material, nuclear reactors, major components and equipment, and minor reactor parts from other countries. GAO found that in sum, the United States was a net importer of nuclear components and materials, which may indicate a lack of comparative advantage in this industry.

Commerce has an initiative to coordinate interagency efforts and identify and respond to the U.S. nuclear industry's trade policy challenges, but the initiative has made limited progress and does not include a well-defined strategy to support and promote U.S. nuclear industry efforts to compete globally. DOE, NRC, and State officials told us they rely on Commerce to develop and lead U.S. nuclear industry export promotion activities. In October 2008, Commerce established the Civil Nuclear Trade Initiative to help promote the competitiveness of the U.S. nuclear industry. The initiative aims to, among other things, coordinate interagency efforts and identify and respond to trade policy challenges faced by the U.S. nuclear industry. However, the initiative has made limited progress. For example, the initiative's interagency trade promotion committee to coordinate interagency efforts on behalf of U.S. industry has received briefings from only three U.S. nuclear companies; though Commerce officials report many more companies would like to participate. In addition, the initiative's strategy document has some limitations, in that it does not establish goals, does not have an implementation plan, and does not contain metrics for measuring its progress, which are critical for agencies to achieve intended goals.

Commerce, State, and DOE officials as well as U.S. industry representatives identified challenges facing the U.S. nuclear industry, including a decline in domestic manufacturing capabilities, increased international competition, and U.S. industry's liability concerns. In addition, U.S. industry representatives and U.S. foreign government officials GAO interviewed also identified challenges that, in their view, impede the U.S. nuclear industry's ability to compete globally for nuclear trade, including a DOE process for authorizing the transfer of U.S. nuclear technology and technical information overseas. In particular, industry representatives told us they believe that DOE's regulations are outdated and place U.S. companies at a competitive disadvantage.