

**Second Supplementary Submission
by Friends of the Earth, Australia**

**SUBMISSION No. 17.2
TT on 14 May 2008**

**on the Agreement between Australia and Russia on Cooperation in the
Use of Nuclear Energy for Peaceful Purposes**

Contact:

Jim Green B.Med.Sci. (Hons.) PhD
National nuclear campaigner
Friends of the Earth, Australia
PO Box 222, Fitzroy, Victoria, 3065
0417 318368
jim.green@foe.org.au

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1. INADEQUATE NUCLEAR SECURITY

Other than to mention Russia's adoption of amendments to the Convention on the Physical Protection of Nuclear Material, the written submission by the Australian Safeguards and Non-proliferation Office (ASNO) fails to address the vital issue of inadequate nuclear security in Russia. At the Canberra hearing, ASNO provided no evidence to substantiate its claim that there have been no recent incidents of nuclear theft/smuggling in Russia.

In light of the evidence presented below, it can only be concluded that ASNO has misled the Joint Standing Committee with its unsubstantiated assertion that there have been no recent incidents of nuclear theft/smuggling in Russia.

At the July 28 JSCT hearing, Mr Simpkins said:

"Earlier we were given a list of incidents involving HEU and Pu between 1993 and 2006. I looked back through that list, and the Russian Federation is mentioned on two occasions – June 1995 and March 1994."

and

"... in the last 13 years, there would appear to have been no incident."

Unfortunately, there have been many incidents of nuclear theft and smuggling in Russia since those mentioned by Mr Simpkins. The list referred to by Mr Simpkins deals only with HEU and Pu rather than the full range of nuclear materials which can be (and have been) stolen from nuclear plants. Before elaborating on that point, it should also be noted that the number of incidents listed by the IAEA involving HEU and Pu theft from Russia cannot be said to be comprehensive for these reasons:

* The IAEA Illicit Trafficking Database now contains more than 1000 confirmed reports but the IAEA itself acknowledges a further 800 additional incidents had not yet been unconfirmed.

(<http://www-pub.iaea.org/MTCD/Meetings/Announcements.asp?ConfID=154>)

* According to the detailed database of the Institute for International Studies (IIS), about 40 kilograms of weapons-usable uranium and plutonium had been stolen from poorly protected nuclear facilities in the former Soviet Union in the decade to 2002. IIS researcher Lyudmila Zaitseva estimated that the real amount of missing weapons-grade material could be 10 times higher than is officially known. (*Lisa Trei, Stanford Report, March 6, 2002*)

* There is evidence that Russia has been uncooperative with investigations into nuclear smuggling and one must therefore wonder whether Russia has been transparent with its disclosure of nuclear theft/smuggling incidents. Indeed Lyudmila Zaitseva from the Naval Postgraduate School, Monterey, California, notes in a 2007 article that "the number of incidents confirmed to the IAEA by the Russian Federation between 1993 and 2005 is less than a third of some 300 cases, which were reported in open sources in the same period." For example, a seizure of HEU, reportedly stolen from a Russian nuclear facility, took place in Georgia in February 2006 but was not yet on the IAEA database as at August 2007.

<www.ccc.nps.navy.mil/si/2007/Aug/zaitsevaAug07.asp>

* Bunn, Wier, and Holdren note that the chief of the Russian Customs Committee said in 2001 that more than 500 cases of nuclear and radioactive material trafficking had been detected by his agency in the year 2000. But only one case of smuggling was reported by Russia to the IAEA in that year. (*Bunn, Wier, and Holdren, Controlling Nuclear Warheads and Materials: A Report Card and Action Plan, March 2003, p. 171,* <http://www.nti.org/e_research/cnwm/cnwm_appendixa.pdf>.)

As for the incidence of nuclear theft/smuggling in Russia over the past decade, the following evidence demonstrates that ASNO's unsubstantiated claims are false.

The problem of nuclear theft/smuggling in Russia was still dire in 2001:

* Harvard academics Matthew and George Bunn told a 2001 IAEA conference that the problem of nuclear theft "is most acute in the former Soviet Union ... Many nuclear facilities in Russia have no detector at the door that would set off an alarm if some one were carrying plutonium out in a briefcase, and no security cameras where the plutonium is stored." They further noted that a distinguished U.S. bipartisan panel warned in 2001 that 'the most urgent unmet national security threat to the United States today is the danger that weapons of mass destruction or weapons-usable material in Russia could be stolen and sold to terrorists or hostile nation states.'

(<<http://ksgnotes1.harvard.edu/BCSIA/Library.nsf/pubs/nucleartheft>>)

* The US General Accounting Office found in 2001 that only 14% of Russia's 603 tonnes of weapons-grade material had been fully secured. (*New Scientist, Vol 170, issue 2292, May 26, 2001, p.10.*)

The problem was still dire in 2004 as noted by Harvard University nuclear analysts Matthew and George Bunn: "Unfortunately, the recent claim by Russian Defense Minister Sergei Ivanov that inadequately secured nuclear stockpiles in Russia are only a "myth" is far from the truth. There has been a decade of improvements in Russia, but the work remains dangerously incomplete and the threat to nuclear facilities is terrifyingly high. While many

of the best-known thefts of nuclear material occurred a decade ago, it was only last year that the chief of Russia's nuclear agency testified that nuclear security was underfunded by hundreds of millions of dollars. At nearly every site U.S. experts visit, they reach quick agreement with Russian experts on the need for substantial security upgrades."
<www.washingtonpost.com/ac2/wp-dyn/A13014-2004Sep10?language=printer>.

The problem was still dire in 2005. The Age reported in 2005 that: "The National Intelligence Council, comprising representatives of the CIA, the Pentagon, the Energy Department and other intelligence agencies, noted in its report that "undetected smuggling" of nuclear material had occurred over the past 13 years and the risk remained that terrorists could seize arms or materials. Under questioning in Washington last week, CIA Director Porter Goss said he could not rule out the possibility that Russian nuclear material was in terrorist hands."

<www.theage.com.au/news/War-on-Terror/Pact-on-nuclear-terror-threat/2005/02/24/1109180037908.html>

Sonia Ben Ouagrham-Gormley, senior project manager at the James Martin Center for Nonproliferation Studies and editor of the NIS Export Control Observer, noted in a 2007 article that **183 cases of nuclear trafficking were recorded in the former Soviet Union from 2001-06.** <www.thebulletin.org/web-edition/features/nuclear-terrorisms-fatal-assumptions>

The New York Times reported in **2007** that Russia has been unhelpful in the pursuit of investigations into theft/smuggling of weapon-grade nuclear material:

"... The **uranium seized in 2003 and 2006** had been enriched to nearly 90 per cent U-235. Too small an amount to make a bomb, but the ideal purity level for doing so. In both cases the individuals arrested testified they had obtained the uranium through a web of Russian contacts and middlemen of various nationalities. This appears to be corroborated by a US Government laboratory analysis of the 2006 material. ... Georgia's chief nuclear investigator, Archil Pavlenishvili, recalled how the Russian Government had co-operated in the early stages of the 2003 investigation. However, in 2006 it had hardly helped at all. He said the Georgians informed the Russian embassy of Khinsagov's detention, and offered to let diplomats speak to him. But the Russians never responded. (<www.smh.com.au/news/world/nuclear-blackmarket-stirring-back-into-life/2007/01/26/1169788693460.html?page=fullpage#contentSwap1>)

New Scientist summarised a **2007** SKI/ Atombesopastnos report which found gaping holes in nuclear security in Russia. New Scientist also noted that an IAEA conference has heard evidence of a "possible resurgence" of nuclear smuggling in former Soviet republics.
<www.robbedwards.com/2007/11/study-of-nuclea.html>

Further evidence is provided in the ICAN submission #7 to this JSCT inquiry:

"Despite major international collaborative efforts continuing over a number of years, the security of nuclear facilities, materials and weapons in Russia remain of profound concern. Dr Mohamed El Baradei has recently estimated that only half of nuclear materials have been reasonably secured. Russia and states of the former USSR have been involved in the large majority of documented instances of nuclear smuggling (1,346 instances on the IAEA Illicit Trafficking Database between 1993 and 2007). The

Oxford Research Group has estimated that a total of 40kg of weapons-usable uranium and plutonium had been stolen from poorly guarded facilities in the former Soviet Union by 2002."

At the 28/7/08 Melbourne hearing, Assoc. Prof. Ruff from ICAN noted that: "The International Panel on Fissile Materials clearly identifies Russia as the major problem in terms of the volume of the fissile materials, the concerns about the security and the lack of clear policies in a number of respects."

The Stanford Database on Nuclear Smuggling, Theft and Orphan Radiation Sources has recorded at least 370 incidents involving former Soviet countries - 56% of the global total. The former Soviet Union "remains the major potential source of nuclear and other radioactive material". <www.numat.at/list%20of%20papers/zaitseva.pdf>

Since a number of studies deal with ex-Soviet states in aggregate without providing a country-by-country breakdown, it is theoretically possible that Russian nuclear facilities are more secure than those in other ex-Soviet states - but the available evidence suggests otherwise. For example, a study of the links between nuclear trafficking incidents with the suspected involvement of organised crime from 2001-05 found that the number of incidents in Russia (7 incidents, 38 people) was second only to the Ukraine. Institute for International Studies researcher Lyudmila Zaitseva concludes that: "Looking at the number of both seizures and actors involved, the former Soviet Union still stands out as a major staging area for criminals trading in radioactive substance, with Ukraine, Russia, Georgia and Belarus taking the lead. Given the crime scene and the abundance of still poorly protected nuclear material and radioactive substances in these countries and their neighboring states, this is hardly surprising."

<www.ccc.nps.navy.mil/si/2007/Aug/zaitsevaAug07.asp>

The Center for Nonproliferation Studies provides this summary of 2007 reports from Russia's Federal Customs Service:

From January to November 2007, Russia's Federal Customs Service (FCS) used technical radiation detection means to intercept approximately 850 attempts of illicit trafficking of materials with elevated levels of ionizing radiation, an FCS report stated on 21 December 2007. Out of 850 cases - 85 percent were attempts of smuggling radioactive materials onto the territory of the Russian Federation, while 15 percent were attempts to smuggle materials out of the country. In 2006, the FCS similarly registered 480 smuggling attempts, the report noted. The FCS employs a variety of technical radiation detection means throughout Russia. For example, stationary detection systems "Yantar" are deployed on 195 border checkpoints, which is approximately 70 percent of the total number of checkpoints. By 2010, the FCS hopes to install stationary detection equipment on the remaining 30 percent of the checkpoints through either the FCS budgetary means or under the aegis of the U.S. Second Line of Defense program.

Similarly, the branch of the FCS on Russia's Southern borders issued a report on 19 December 2007, which indicated that during the first 10 months of that year, the

number of attempts to transport materials with elevated ionizing radiation on the Southern borders neared 2,300 incidents. In 2005, the report noted, FCS intercepted just 1,356 smuggling attempts at the same checkpoints. At present, FCS deploys 281 stationary radiation detection systems at 45 Southern check points in addition to 440 portable detection units – some of this equipment was acquired through the U.S. Second Line of Defense program. An additional 10 check points await upgrades in the 2010 timeframe. [1]

<http://www.nti.org/db/nistraff/2007/20070360.html>

The Nuclear Threat Initiative <www.nti.org/db/nistraff> tracks reports on nuclear theft/smuggling. A sample of these reports follows:

- * 1-8 July 2008: Kazakh customs officials detain vehicles with radioactive cargo on Russian-Kazakh border
- * 24 January 2008: Four Russians sentenced for smuggling radioactive sources across the Russian-Kazakh border
- * 19 September 2007: Energoatom Officials Suspected of Smuggling NPP Parts from Russia to Ukraine
- * 18 December 2006: Nearly 600 Pounds of Highly Enriched Uranium Returned to Russia from Germany
- * May 2006: Incidents Involving Radioactive Materials in Russia, February-April 2006
- * 14 December 2005: Russia TV Reports on Black Market of Radioactive Materials
- * 4 May 2005: Russian Customs Intercepts 200 Radioactive Cargoes in Far East from 1995-2005
- * 18 January 2005: Radioactive Material Seized on Russian-Georgian Border
- * 29 December 2004: Depleted Uranium Confiscated on Russian-Kazakhstan Border
- * 2 November 2004: Small Amount of Pu-238 Recovered in Altay Kray, Russia
- * 19 October 2004: Radioactive Cargo Seized in Petropavlovsk-Kamchatskiy, Russia
- * 19 July 2004: Uranium Theft Blocked in Kirovo-Chepetsk, Russia
- * 1 June 2004: Materials Contaminated with Radiation Seized in Moscow, Russia
- * 27 May 2004: Americium-241 Seized in Novorossiysk, Russia
- * 23 July 2004: Belgorod, Russia Customs Post Detects 145 Radioactive Cargoes During 2004
- * 31 March 2004: Radioactive Instrument Seized on Sakhalin, Russia
- * 28 March 2004: Norway Asks Canada to Help Secure Russian RTGs
- * 28 January 2004: Customs Agents Seize Radioactive Material in Bashkortostan, Russia
- * 27 August 2003: Instrument Containing Plutonium-238 Stolen in Perm, Russia
- * 14 November 2002: Russian Officials Admit Thefts of Nuclear Material in Previous Decade
- * 21 April 2003: Radioactive Container Seized in Kaliningrad, Russia
- * 17 April 2003: Stolen RTG Recovered in Leningrad Oblast, Russia
- * 4 April 2003: Cesium-137 Seized in Akhtubinsk, Russia
- * 2 March 2003: Osmium-187 Seized in Omsk, Russia
- * 28 July 2000: Uranium Seized from Traffickers in Vladikavkaz, Russia
- * 14 July 2000: Radium-226 Seized from Smugglers in Novosibirsk, Russia
- * 8 July 2000: Radioactive Instrument Stolen from Factory in Novgorod Oblast, Russia
- * 7 July 2000: Cadmium Seized in Zheleznogorsk, Russia
- * 29 June 2000: Police Arrest Alleged Plutonium Smugglers in Dagestan Russia

- * 27 July 2000: GAN Critical of Russian Nuclear Material Transport Regulations, Cites Violations
- * 27 March 2000: Aum Shinrikyo Alleged to Have Obtained Data on Russian, Ukrainian Nuclear Power Plants
- * 1 March 2000: Article Analyzes Security Lapses at Russian Nuclear Facilities
- * 1 January 2000: Article Discusses Russian Organized Crime and Nuclear Smuggling
- * 20 May 2000: Cesium-137 Container Stolen in Irkutsk Oblast, Russia
- * 11 May 2000: Kazakhstani Police Seize Radioactive Radium
- * 7 April 2000: US Department of Energy Increases Estimate of Russian Fissile Material Stocks at Risk
- * 19 February 2000: Russian Officer Criticizes Security at Nuclear Weapons Storage Sites
- * 3 March 2000: Radioactive Cesium-137 Stolen from factory in Sverdlovsk Oblast, Russia
- * 23 February 2000: Police Seize Bismuth in Krasnoyarsk Kray, Russia
- * 23 February 2000: Russian Military Officers Attempting to Sell Radioactive Strontium Arrested in Primorskiy Kray
- * 29 January 2000: Sailors Break Into Nuclear Submarine in Kamchatka, Russia, Steal Radioactive Isotopes
- * 7 November 1999: Police Seize Contraband Zirconium in Vladivostok, Russia
- * 2 February 2000: US Director of Central Intelligence Expresses Concern about Security of Russian Nuclear Materials
- * 26 January 2000: Radioactive Chinese Citizen Detained in Irkutsk, Russia

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2. COMMENTS ON ASNO's WRITTEN SUBMISSION

In relation to ASNO's written submission, dated 22 July 2008, ASNO's John Carlson says has addressed issues raised by ACF/FoE during the JSCT inquiry into uranium sales to China, and as such only "new claims" will be addressed in the current ASNO submission. Thus Mr Carlson can cherry-pick the issues he addresses and avoid responding to vital issues such as the non-existence of IAEA safeguards in Russia, or ASNO's false and unsubstantiated claims regarding inadequate nuclear security in Russia.

ASNO & SAFEGUARDS

ASNO's written submission again ignores the fact that there have been no inspections in Russia for many years (at least six years, probably more, possibly many more). Instead of acknowledging that truth, ASNO persists with a barrage of unsubstantiated and outrageous assertions.

The ASNO submission states that: "Australia's safeguards policies, practices and implementation under bilateral safeguards agreement, such as the agreement under review here, have always represented world's best practice." The ASNO submission also states: "The operation of Australia's uranium export policy has always (and continues to) represent world's best practice ..." But the reality of zero safeguards inspections in Russia cannot be 'world's best practice'. It could however be described as (equal) world's worst practice.

ASNO's submission states that there "are very few bilateral safeguards or cooperation agreements around the world" which share Australia's requirement that facilities using Australian uranium must be on the eligible facility list under its safeguards agreement with the IAEA. The Committee might like to ask ASNO which countries do and which countries do not have that requirement. Requiring facilities processing Australian uranium to be on the list of facilities eligible for IAEA safeguards inspections would be meritorious if there were any safeguards inspections in Russia - but there have been no inspections for many years. Moreover, the Australia-Russia Agreement envisages the use of Australian uranium in non-safeguarded facilities.

The ASNO submission asserts that Australia exports uranium under "strict non-proliferation conditions." The reality of zero safeguards cannot be equated with the rhetoric of strict conditions.

The ASNO submissions states that export of uranium is "one of the main ways Australia gives effect to its commitment under Article IV of the NPT to facilitate the peaceful applications of nuclear energy." It should however be noted that there is no obligation under the NPT for Australia to export uranium.

The ASNO submissions states: "The nuclear safeguards agreement with Russia is fully consistent with Australia's long-established support for the global nuclear non-proliferation regime." How can the supply of uranium to a belligerent nuclear weapons state in the absence of IAEA inspections contribute to anything other than the fracturing of the non-proliferation regime described by the Prime Minister:

"[T]he current non-proliferation regime is fundamentally fracturing. The consequences of the collapse of this regime for Australia are acute, including the outbreak of regional nuclear arms races ... The impact on Australia's long-term national security interests is immense." (Kevin Rudd, Sydney Institute speech, Sept 2006)

"The nuclear non-proliferation treaty continues to fracture. And there has been little if any progress on nuclear arms reduction - let alone nuclear disarmament." (Kevin Rudd, Lowy Institute speech, July 2007.)

The ASNO submissions states: "The agreement supports the ICCND's non-proliferation goals by enabling wider application of strict Australian non-proliferation controls to nuclear material in civil use." In fact, the Australia-Russia Agreement will enable the continued application of zero safeguards inspections in Russia and as such it undermines the ICCND's goals.

Yet again the ASNO submission conflates strict safeguards with zero safeguards: "All of Australia's uranium exports are subject to strict safeguards conditions given legally binding effect through bilateral safeguards agreements."

The Committee might like ASNO to confirm that key bilateral conditions, such as the right to refuse permission to reprocess and to separate plutonium, have never once been invoked even when it leads to plutonium stockpiling.

The ASNO submission states that the NPT does not require IAEA safeguards for the 'declared' weapons states so "the bilateral safeguards conditions Australia applies to nuclear exports go well beyond NPT requirements." The reality of zero safeguards does not go well beyond NPT requirements. Zero safeguards goes well beyond nothing at all.

ASNO & CIVIL SOCIETY SAFEGUARDS

The ASNO submission states that: "It is not international practice, nor Australian practice, to include in nuclear agreements clauses, such as human rights clauses, which are not germane to the subject matter of non-proliferation and safeguards."

ASNO chooses to ignore the substance of the comments in the ACF and FoE submissions. Under the rubric of civil society safeguards, the FoE submission addresses issues which certainly are germane to the safeguarding of Australian-Obligated Nuclear Materials, namely, Russia's lack of democracy; inadequate protections for protesters, trade unions and whistle-blowers; media censorship; and inadequate regulation of the nuclear industry.

In light of current events involving Georgia and Russia, it is worth noting that political turmoil and, in ASNO's words, "security situations" have led to the "postponement" of safeguards inspections. ASNO cites the examples of the collapse of Yugoslavia as well as "security situations in particular African states". (*ASNO, submission 30.1 to JSCT inquiry into China nuclear agreement.*) Another example is provided by Iraq (1991 and 2003). No doubt there are other examples of safeguards breaking down in the context of political turmoil (ASNO's use of the term "postponement" is a quaint euphemism). In addition to disputes between Russia and its neighbours, the lack of political democracy in Russia can be expected to lead to political conflict and potentially political turmoil with uncertain consequences for the safeguarding of nuclear materials.

ASNO & REPROCESSING

The ASNO submission states that it is not expected that Russia will seek to reprocess Australian-Obligated Nuclear Materials for a number of years, at which time the request will be assessed "on the basis of the same strict safeguards and non-proliferation criteria that Australia applies to other bilateral partners." Those "strict conditions" include allowing the export of Australian uranium in the absence of any safeguards inspections whatsoever, and never once refusing permission to separate (and stockpile) plutonium.

The ASNO submission states: "Reprocessing of Australian nuclear material in the UK, France and Japan has been ongoing for decades, and the separated Australian plutonium is not simply stockpiled ..., rather it is mixed with uranium into mixed oxide fuel (MOX) for further use for nuclear power generation."

But stockpiling of Australian-obligated separated plutonium occurs. ASNO Annual Reports note the extent of the stockpile of Australian-obligated separated plutonium though they provide no country-specific data nor other relevant information such as the turn-over of Australian-obligated separated plutonium. In other words, for how long is Australian-obligated separated plutonium before being used in MOX fuel? What is the longest time that Australian-obligated separated plutonium has been stockpiled and what is the average time? The JSCT might like to ask ASNO for answers to those questions.

The ASNO submission states: "Plutonium generated through the normal use of a nuclear power plant has elevated proportions of isotopes such as plutonium-240 and plutonium-238 and as such is not used for weapons production." In support of that assertion, ASNO points to a 2006 paper by Mr Carlson on the ASNO website. The 2006 ASNO paper is best read as a scientifically-illiterate polemic which is at odds with informed scientific opinion. The JSCT has already received a submission which includes a critique of the 2006 ASNO paper - in the submission from Broinowski, Roberts and Green. The relevant section is written by physicist Dr Alan Roberts. See also the paper posted at: <http://www.foe.org.au/anti-nuclear/issues/power-weapons/rgpu>

Correction: The first FoE submission incorrectly states that the Australia-Russia Agreement gives open-ended ('programmatic') permission to reprocess. In fact, as ASNO notes, a request to reprocess is not expected for some time.

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3. COMMENTS ON THE AUSTRALIAN URANIUM ASSOCIATION

Mr Angwin from the AUA said at the 28/07/08 hearing that: "With regard to the treaty itself, our submission in summary is that Australia's bilateral treaties governing the export of uranium have been successful in their aims of enabling the export of uranium for peaceful purposes and safeguarding against use of the uranium for other than peaceful purposes."

In fact, incidents of Material Unaccounted For (MUF) involving Australian-Obligated Nuclear Materials are a "normal occurrence" according to ASNO's Mr Carlson (submission 33.1 to the House of Representatives uranium inquiry, dated 18/11/05). What Mr Carlson means when he says that all AONM is "fully accounted for" is that ASNO has accepted all the various reasons given for the "normal occurrence" of accounting discrepancies over the years, however fanciful those explanations may or may not be. In other words, when ASNO says all AONM is fully accounted for, it means all AONM is **not** fully accounted for. ASNO refuses to provide specific data on MUF discrepancies or even aggregate, non-country-specific information. Nor has ASNO adequately justified this secrecy. Since ASNO will not put any further information on the public record, we are left to ponder the reality and significance of the "normal occurrence" of accounting discrepancies.

Mr Angwin said in relation to North Korea and Iraq, they "were proliferation issues that occurred within the military fuel cycle". He is wrong on both counts. Information is posted at:

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4. UNDER-RESOURCING OF IAEA SAFEGUARDS

The question of the under-resourcing of IAEA safeguards arose at the 28/7/098 hearing. The problem was summarised by IAEA Director General Dr. Mohamed El Baradei in his 11 June 2007 speech to the IAEA Board of Governors:

"I should also underline that, even with the proposed budget, the Agency's financial situation remains vulnerable, and we still fall short of what is needed to carry out our mission in an effective manner. Significant additional resources are still sorely needed. Our laboratories are full of equipment that is outdated, although vital to carry out essential verification, safety and development functions. Our nuclear security programme remains 90% funded through unpredictable and heavily conditioned voluntary contributions. Our safety department continues to rely heavily on extrabudgetary staff."

In his 9 July 2007 speech to the IAEA Board of Governors, Dr. El Baradei said:

"The Agency's financial vulnerability is also demonstrated by our current cash situation, which indicates that unless some major donors pay their outstanding contributions by the end of next month, the Agency will have to draw from the Working Capital Fund in order to continue operations. And unless contributions are received by September, that Fund would be depleted."

In his 15 June 2007 speech to the IAEA Board of Governors, Dr. El Baradei said:

"In the nuclear security area, where every world leader is saying that is a number-one priority, we continue to rely for 90% of our security funding on extra budgetary contributions that are heavily conditioned and highly unpredictable."