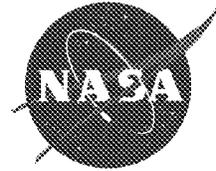


National Aeronautics and
Space Administration
Office of the Administrator
Washington, DC 20546-0001



July 12, 2005

The Honorable Bart Gordon
Ranking Democrat
Committee on Science
House of Representatives
Washington, DC 20515

Dear Mr. Gordon:

On behalf of the Administration, the National Aeronautics and Space Administration (NASA) proposes that the enclosed amendment to the Iran Nonproliferation Act of 2000 (P.L. 106-178) be added to NASA authorization legislation or another appropriate legislative vehicle. The proposed amendment is a balanced approach which maintains U.S. nonproliferation principles and objectives, while also maintaining the U.S.-Russia space partnership. The justification for this proposed amendment is stated more fully in the accompanying sectional analysis. We urge enactment of this important amendment.

We would like to acknowledge your commitment and leadership on this important issue and will continue to work with your Committee to ensure that space policy and nonproliferation issues are adequately addressed.

The Office of Management and Budget has advised that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely,

A handwritten signature in black ink, appearing to read "M. D. Griffin", written over a horizontal line.

Michael D. Griffin
Administrator

Enclosures (2)

Proposed Amendment

TITLE II -- ENABLING THE NEW SPACE POLICY

Amendment to the Iran Nonproliferation Act of 2000, 50 USC 1701 note

SEC. 201. The Iran Nonproliferation Act of 2000 (50 USC 1701 note), is amended --

- (a) In Section 7(1), after "United States Government," strike "--", the following indentation and "(A)" and continue with the text of (A);
- (b) At the end of former Section 7(1)(A), strike "; or" and replace with "." and
- (c) Delete Section 7(1)(B) in its entirety.

[The section will then read:

SEC. 7. DEFINITIONS.

For purposes of this Act, the following terms have the following meanings:

- (1) Extraordinary payments in connection with the international space station.-- The term "extraordinary payments in connection with the International Space Station" means payments in cash or in kind made or to be made by the United States Government for work on the International Space Station which the Russian Government pledged at any time to provide at its expense.

Justification for Amendment -- Sectional Analysis)

The proposed amendment would maintain key existing U.S. nonproliferation tools while allowing for continued U.S. -- Russian cooperation on the International Space Station (ISS) and other aspects of the Vision for Space Exploration.

The provision would amend the definition of "extraordinary payments" in section 7 of the INA to allow United States government payments to the Russian government and Russian organizations or entities for payments related to the ISS and human space flight. Amending the definition of "extraordinary payments" in section 7 would reflect the fact that, while Russian dependence on U.S. Government payments has decreased substantially, U.S. dependence on Russia for support of U.S. civil space activities has increased due to the grounding of the Space Shuttle, the decision not to develop a U.S. crew rescue vehicle and the decision to retire the Space Shuttle by the end of the decade.

INA restrictions in Section 6 have impacted ISS operations as the Russian Space Agency has begun to interrupt mission development and operations for 2006 due to concerns about NASA's ability to complete an update to the relevant bilateral agreement on ISS goods and services because of the INA restriction on paying for essential goods and services provided by Russia. This restriction includes limitations on paying for Soyuz crew rescue vehicles. Thus, by April 2006, INA restrictions could prevent the U.S. from maintaining American crew members on the ISS except during Space Shuttle visits. INA restrictions could affect NASA's ability to meet U.S. obligations to ISS Partners under the ISS agreements, including crew rescue capability and transportation services.

Moreover, the Vision for Space Exploration clearly envisions significant foreign cooperation and participation. Removing the restriction on payments related to human space flight will enable the U.S. to take advantage of unique Russian capabilities.

U.S.-Russia space cooperation is an area of the overall U.S.-Russia relationship that has had marked success and should be preserved. At the February 2005 Bush-Putin summit in Bratislava, the Presidents called for enhanced space cooperation on ISS and other aspects of the Vision for Space Exploration. In this regard, limited amendments to the INA would contribute to preserving and furthering the bilateral U.S.-Russia relationship.

At the same time, it remains vitally important to persuade the Russian Government to improve its efforts against Iranian proliferation activities, and to persuade Russian entities not to cooperate with Iranian proliferation programs. In addition to the positive incentive provided by prudent, closely monitored space cooperation in areas of great benefit to the U.S., the proposed amendment would maintain substantial negative incentives to promote nonproliferation objectives. The first five sections of the INA establish a requirement to report to Congress on every foreign person that transfers certain kinds of technologies to Iran and authorizes sanctions against such persons. These key reporting and sanctions provisions of the INA would not be affected by the proposed amendment. In addition,

the amendment leaves in place the bar on a United States government agency making extraordinary payments in connection with the International Space Station (ISS) to any persons (including entities) subject to sanctions under the INA or the Proliferation of Weapons of Mass Destruction Executive Order (E.O. 12938, as amended by E.O. 13094), or if the U.S. government agency anticipates that such payments will be passed to such persons. The amendment also leaves in place the bar on making extraordinary payments for work on the ISS that the Russian government committed to provide at its own expense, *i.e.*, existing Russian obligations under the various ISS agreements. Finally, specific proposals for cooperation with Russia would continue to be subject to review under relevant mechanisms such as the Circular 175 process, export and import licensing regulations, and a coordination process directed by the U.S. Space Transportation Policy (NSPD-40), which would ensure that U.S. nonproliferation objectives are maintained.