State Department’s questionable testimony on U.S. heavy water purchase from Iran

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On May 25, 2016 Ambassador Stephen Mull, Lead State Department Coordinator for Iran Nuclear Implementation, implied before a Senate Banking Committee hearing that the United States has no other supply option than to buy Iran’s heavy water. During lines of questioning from Senators Cotton and Vitter, Ambassador Mull implied that a previous supplier for heavy water, Canada, was unable to supply needed heavy water to Oak Ridge National Laboratory’s Spallation Source Reactor. After Senator Vitter stated that the United States has multiple other avenues for heavy water purchases from allies, Mull replied, “There are only two countries that regularly export heavy water - Canada and India. Canada ceased production of heavy water in 1997 and only sporadically makes it available.”

We have learned, and wrote in an earlier report, that this is a false portrayal of Canada’s ability to supply heavy water. For several years prior to stopping production of heavy water, Canada stockpiled a huge amount of heavy water which it is now seeking to sell. There is certainly no shortage of available heavy water from Canada.

Moreover, Iran was given a 10-20 percent price reduction from the market rate for its heavy water. The sale represents a government intrusion into the North American heavy water market, prefers Iran over a close American ally, and opens the door to future U.S. purchases of Iran’s heavy water. Mull did not exclude the latter possibility, stating that “the Energy Department does not plan any future purchases at this time, however...the market supply is unpredictable and so the administration is reluctant to foreclose the possibility of buying heavy water where we are able to.” This statement also ignores in particular the availability of heavy water from Canada.

Mull claimed that Iran was required under the Joint Comprehensive Plan of Action (JCPOA) to sell excess heavy water over the 130 metric tonnes cap and “to dispose of that excess heavy water by offering for sale and delivering it to a foreign buyer.” This is not true; Iran could simply blend the heavy water down to regular water.

The State Department should clarify whether this purchase from Iran was nothing more than a perk or benefit for implementing the JCPOA; there is certainly no evidence that the purchase of heavy water from Iran was required due to lack of supply.