



HM Government

TECHNICAL NOTE: EXISTING CONTRACTS FOR THE SUPPLY OF NUCLEAR MATERIAL

Issue

1. The issue of existing contracts for the supply of nuclear material has been identified by the UK as an issue to be addressed in the withdrawal discussions.

UK Position

2. The UK position paper on '*Nuclear materials and safeguards issues*' of 13 July 2017 stated that:

"The agreement should also make clear that contracts for the supply of nuclear material between operators in the UK and Euratom, which have been approved by the Euratom Supply Agency and European Commission, will remain valid and not require any further approvals."

Background

3. As part of commercial arrangements in the civil nuclear sector, there are various contracts in place for the supply of nuclear material between operators in Euratom Member States and operators in the UK. Under Euratom Treaty arrangements, these contracts are subject to approval by the Euratom Supply Agency, and, in some cases, by the European Commission.
4. In order to avoid significant legal and commercial uncertainty, clarity is needed on the continued validity of nuclear supply contracts that have been approved and concluded prior to withdrawal, but for which the supply period extends beyond the date of withdrawal. This issue has been raised with the UK Government by several operators, including those in the EU27.

Approvals for nuclear supply contracts

5. Under Article 52 of the Euratom Treaty, the Euratom Supply Agency holds an exclusive right to conclude contracts relating to the supply of ores, source materials and special fissile materials coming from inside or outside of the Euratom Community. Under the Rules of the Euratom Supply Agency, operators must therefore receive approval from the Euratom Supply Agency for the conclusion of contracts for the supply of these nuclear materials.
6. In certain cases, in addition to Euratom Supply Agency approval, nuclear supply contracts also require authorisation from the European Commission. Under Article 60 of the Euratom Treaty, authorisation is required for contracts of more than ten years. Under Articles 59 and 62 of the Euratom Treaty, authorisation is also required for exports of nuclear materials produced in the Euratom Community.

Existing nuclear supply contracts

7. The UK is aware of a number of supply contracts for nuclear material – principally for the supply of nuclear fuel for power stations – entered into between commercial operators in the

EU and UK. These contracts have been approved prior to withdrawal by the Euratom Supply Agency and, in some cases, by the European Commission, but the supply period of the contracts will extend beyond the date of withdrawal.

8. Following the UK withdrawal from Euratom, this type of contract may require a different approval process under Euratom arrangements, subject to any alternative arrangements that are agreed between the UK and EU. In relation to contracts concluded prior to withdrawal but for which the supply period extends beyond the date of withdrawal, this therefore creates uncertainty for operators as to whether the approvals that have been received prior to withdrawal will continue to remain valid after the date of withdrawal.
9. The UK would expect to work closely with the EU to minimise uncertainty for EU and UK operators in relation to these contracts after withdrawal.

Principles for agreement

10. The UK and EU should work together to minimise uncertainty in relation to contracts for the supply of ores, source materials and special fissile materials that have been concluded between EU and UK operators, and that have been approved by the Euratom Supply Agency or European Commission before the date of withdrawal. This should include working together to ensure that these contractual arrangements remain valid after withdrawal.

Conclusion

11. In summary, clarity is needed in relation to nuclear supply contracts that have been approved by the Euratom Supply Agency or European Commission.