

# europaean union

## NEWS

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### COMMISSION CONCLUDES NUCLEAR COOPERATION AGREEMENT WITH U.S.

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The European Commission adopted today, on a proposal by Commissioner Christos Papoutsis and Vice-President Sir Leon Brittan, in agreement with Commissioner Hans van den Broek, a Communication to the EU Council inviting it to approve an Agreement between the European Atomic Energy Community (EURATOM) and the United States of America for Peaceful Nuclear Co-operation between the two parties; this will replace the existing one that entered into force in 1960 and will expire on December 31, 1995.

The new Co-operation Agreement has been negotiated on the basis of a negotiating mandate proposed by the Commission and adopted by the Council on December 16, 1991. The negotiations, which have been lengthy and difficult, started in 1992 and ended successfully last week following high level talks between Commissioners Papoutsis and Sir Leon Brittan and US Under-Secretary of State Mrs. Lynn Davis.

The Commission negotiated with the US authorities on behalf of the European Union. Both parties will now refer the agreement reached ad referendum to their political authorities, the Council in the case of the EU and the Congress for the US.

Energy Commissioner Papoutsis, who has led the negotiations, said: "I attach great political importance to reaching a new Agreement with the United States in the area of nuclear co-operation. The new agreement will provide a significant contribution to strengthening our bilateral relationship in this sector. The Commission is satisfied that the agreement reached attains the EU's objectives and preserves EURATOM's essential interests. This new agreement will help the Union and the United States to work together internationally in support of the highest standards of nuclear safety, co-operation and non-proliferation."

Commenting on the agreement reached, Vice President Sir Leon Brittan, who is responsible for relations with the United States, said: "The satisfactory outcome of these negotiations is of importance not only in the energy sector, but also in terms of the wider EU-US relationship. Once again we have shown the strength of the transatlantic partnership and the will to co-operate while striking a hard bargain in the name of our commercial interests."

The primary objective of the negotiations was to agree on a legal framework which would guarantee to the European nuclear industry, whenever it operates with US-obligated materials, security of supply, stability and long-term predictability. The Commission considers that these objectives have been attained, since the new agreement, which will remain in force for at least 30 years, followed possibly by subsequent 5-year roll-over periods, guarantees the following framework as long as it remains in force:

1. Any non-sensitive nuclear activities, as well as enrichment up to 20 percent irradiation of fissile materials and post-irradiation examination involving chemical dissolution or separation of irradiated nuclear material will be freely and unconditionally allowed.
2. Retransfers to third countries will be authorized on a long-term basis according to procedures set out in the agreement.

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Office of Press and Public Affairs, European Commission Delegation

Washington: 2300 M Street NW Washington DC 20037 / Telephone (202) 862-9500 / Fax (202) 429-1766

New York: 3 Dag Hammarskjold Plaza 305 E 47th Street New York NY 10017 / Telephone (212) 371-3804 / Fax (212) 688-1013

3. Storage of sensitive fissile material will be possible in any facility that meets the usual physical protection levels.

4. Reprocessing and alteration in form of content of sensitive fissile materials will take place under a generic programmatic consent, in facilities forming part of the list of nuclear facilities ("peaceful program") delineated by each party. This generic consent will be valid in practice for the entire life of the agreement.

#### An overall assessment

1. As an important energy source for the Union (about a third of all electricity is nuclear produced), it was necessary to ensure that industrial and trade aspects relating in particular to security of nuclear supply and competitiveness were secured by the new agreement. Although the EU is no longer dependent on the US in the nuclear sector, the agreement provides a secure and favorable basis for considerable co-operation and trade between the nuclear industries of the two sides as well as a number of third countries, and provides a durable framework for this trade to expand in the future according to the commercial choices and needs of the EU nuclear industry. It also responds effectively to the objectives of the Commission's Green Paper on Energy.

2. The EU and the US are the two major players in the peaceful use of nuclear energy. The new agreement constitutes a strong expression of the political and economic value of the partnership that exists between the two parties. There is also no doubt that certain key third countries, such as Japan, will welcome the new agreement as bringing stability to nuclear co-operation and trading in the industrial world.

3. The European Union, its member states and the United States are fully committed to non-proliferation which forms a key basis of their co-operation. Any form of co-operation under the new agreement is for peaceful use only. It is provided that all material is subject to international instruments dealing with their physical protection and security. In addition safety aspects are covered. The new agreement ensures that internationally accepted levels of non-proliferation and physical protection apply indefinitely to all material and sets an appropriate example for other countries.

#### Some background

The co-operation between EURATOM and the United States in the peaceful uses of nuclear energy dates back to the late 1950s. It was consolidated in a bilateral agreement that entered into force in 1960 and will expire on December 31, 1995.

The co-operation developed over the last 35 years under the existing agreement is valued as highly positive by both parties. For the European Union it provided the framework to import from the US essential materials, equipment and technology that made it possible for the European nuclear industry to reach a high level of maturity. For the United States, peaceful nuclear co-operation with EURATOM provided a major and reliable nuclear trading partner with which there was, from the beginning, a large degree of agreement on nuclear non-proliferation issues which opened the way to the full commitment to the multilateral nuclear non-proliferation regime that both the EU and the US share today.

**Press Contact:** Ella Krucoff  
Tel: (202) 862-9540