

Brexatom

International Framework for Nuclear Energy Cooperation (IFNEC)

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Rupert Cowen

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Prospect Law Ltd

M: +44 (0) 7957 201707

T: +44 (0) 20 7947 5354

rcc@prospectlaw.co.uk

www.prospectlaw.co.uk



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- The legal process
- What does BREXIT mean for nuclear and EURATOM?
 - Safeguards and Safety Standards
 - International Cooperation Agreements
 - Nuclear Common Market
- Is BREXATOM a threat to the UK nuclear sector?
- What should operators and investors do?
- What should the UK government do?

Legally, progress...

- European Union (Notification of Withdrawal) Act 2017
- UK Notification under Article 50
- Great Repeal Bill - 15 May 2017
- General Election 8 June 2017
- EU publish “Draft guidelines following the United Kingdom's notification under Article 50 TEU”

Effect on domestic law – “Great Repeal Bill”



- Starting point for maintaining legal certainty is the repeal of ECA 1972.
- Convert EU law as it stands at the time of UK exit into UK law.
- Creates powers to make secondary legislation.
- Government comment...

- Government comment:
 - *“...we want to collaborate with our EU partners on matters relating to science and research, and nuclear energy is a key part of this. So our precise relationship with Euratom, and the means by which we cooperate on nuclear matters, will be a matter for the negotiations – but it is an important priority for us – the nuclear industry remains of key strategic importance to the UK and leaving Euratom does not affect our clear aim of seeking to maintain close and effective arrangements for civil nuclear cooperation, safeguards, safety and trade with Europe and our international partners.”*

- EU Negotiating Guidelines
 - The exit agreement would need to be approved by a qualified majority on the European Council and approved by the European Parliament.
 - Confirms support for the agreement of transitional arrangements:

“To the extent necessary and legally possible, the negotiations may also seek to determine transitional arrangements which are in the interest of the Union...”
 - An Exit Deal
 - Money Matters

- The consequences of a no deal situation would be even more significant – for everyone:
 - More than four million citizens – UK citizens in the EU and EU citizens in the UK – confronted with extreme uncertainty concerning their rights and their future;
 - Supply problems in the United Kingdom, disrupting value chains;
 - The reintroduction of burdensome customs checks, inevitably slowing down trade and lengthening lorry queues in Dover;
 - Serious disruption in air traffic to and from the United Kingdom;
 - Suspension of the distribution of nuclear material to the United Kingdom, as it finds itself outside EURATOM overnight. I can multiply the examples.

Implications for UK nuclear sector



What EURATOM does:

- Safeguards
- Research & Development
- Nuclear Common Market
- Investment
- Safety Standards
- Nuclear Cooperation Agreements
- Euratom Supply Agency

How does this effect BREXATOM?



- Safeguards
 - NPT
 - EU Commission Regulation (Euratom) 302/2005
 - Voluntary Offer Safeguard Agreement
 - Stand alone safeguard regime

- Safeguards – action?
 - ONR developing system of accountancy and control
 - Voluntary Offer Safeguard Agreement
 - Additional Protocol
 - Ensure safeguards regime is acceptable to international partners - stand alone safeguard regime

- Nuclear Cooperation Agreements – action?
- Who are the key trade/cooperation partners?
- Work with priority states to understand NCA policy framework and understand non legal requirements
- Acceptance of UK's approach to safeguards/VOSA
- Can anything to be done to protect against a hard exit?

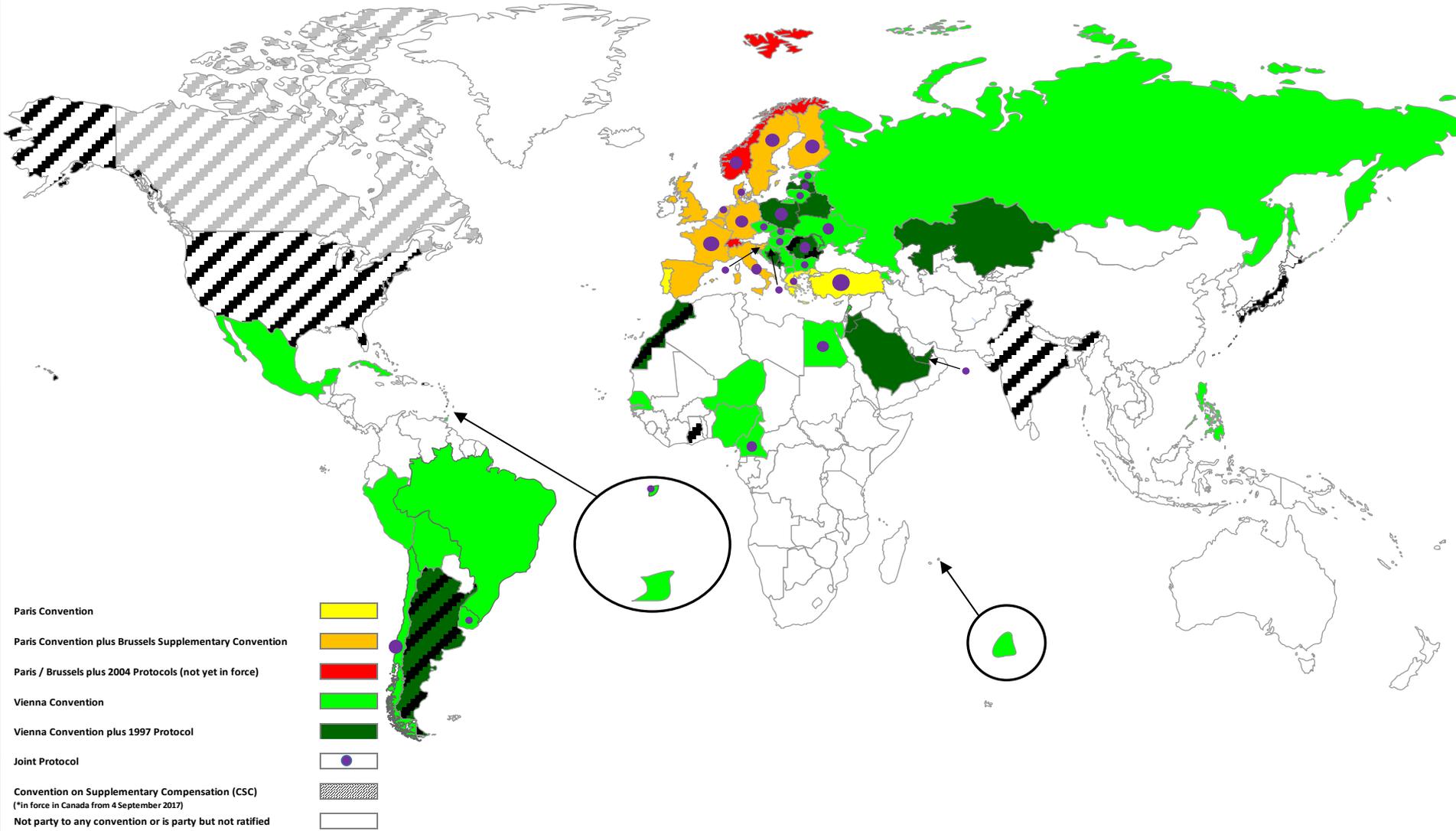
Transitional arrangements – action?

- Euratom membership to continue during transitional phase?
- De-couple Euratom from wider EU membership?
- Voluntary compliance with Euratom safeguards?
- How will agreement on transitional arrangements be approved by EU?

Finally...those questions

- What does BREXIT mean for nuclear and EURATOM?
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Global Overview of Nuclear Liabilities Conventions (June 2017*)



- Paris Convention
- Paris Convention plus Brussels Supplementary Convention
- Paris / Brussels plus 2004 Protocols (not yet in force)
- Vienna Convention
- Vienna Convention plus 1997 Protocol
- Joint Protocol
- Convention on Supplementary Compensation (CSC)
(*In force in Canada from 4 September 2017)
- Not party to any convention or is party but not ratified