



House of Commons
European Scrutiny Committee

European Atomic Energy Community

Eighth Report of Session 2017–19

Documents considered by the Committee on 10 January 2018



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Report, together with formal minutes

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Notes

Numbering of documents

Three separate numbering systems are used in this Report for European Union documents:

Numbers in brackets are the Committee's own reference numbers.

Numbers in the form "5467/05" are Council of Ministers reference numbers. This system is also used by UK Government Departments, by the House of Commons Vote Office and for proceedings in the House.

Numbers preceded by the letters COM or SEC or JOIN are Commission reference numbers.

Where only a Committee number is given, this usually indicates that no official text is available and the Government has submitted an "unnumbered Explanatory Memorandum" discussing what is likely to be included in the document or covering an unofficial text.

Abbreviations used in the headnotes and footnotes

AFSJ	Area of Freedom Security and Justice
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defence Policy
ECA	European Court of Auditors
ECB	European Central Bank
EEAS	European External Action Service
EM	Explanatory Memorandum (submitted by the Government to the Committee)*
EP	European Parliament
EU	European Union
JHA	Justice and Home Affairs
OJ	Official Journal of the European Communities
QMV	Qualified majority voting
SEM	Supplementary Explanatory Memorandum
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union

Euros

Where figures in euros have been converted to pounds sterling, this is normally at the market rate for the last working day of the previous month.

Further information

Documents recommended by the Committee for debate, together with the times of forthcoming debates (where known), are listed in the European Union Documents list, which is published in the House of Commons Vote Bundle each Monday, and is also available on the parliamentary website. Documents awaiting consideration by the Committee are listed in "Remaining Business": www.parliament.uk/escom. The website also contains the Committee's Reports.

*Explanatory Memoranda (EMs) and letters issued by the Ministers can be downloaded from the Cabinet Office website: <http://europeanmemoranda.cabinetoffice.gov.uk/>.

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Summary

Issues raised in this Report

In this Report we consider four separate documents published by the European Commission relating to the work of the European Atomic Energy Community and specifically covering:

- Radioactive waste and spent fuel;
- Nuclear energy investment;
- EU financial contribution to the ITER (International Thermonuclear Experimental Reactor) project; and
- The availability of medical isotopes.

Details of each document are set out in the respective Chapters of this Report. In summary, we consider that they raise important issues in relation to the UK's withdrawal from the European Union. Specifically, these are:

- future UK participation in shared EU/UK solutions for radioactive waste management and spent fuel disposal;
- the extent to which UK-generated waste is present in the EU-27 and vice versa;
- the impact on the UK of non-participation in ITER in the future;
- the prospects for securing the required agreement to the extension of the UK-based Joint European Torus (JET) project before the launch of the potentially nuclear-sceptic Austrian EU Presidency in July 2018;
- the extent to which the UK is taking into account Commission observations on the EU nuclear sector in designing its post-EU nuclear energy policy;
- the Government's approach to nuclear regulatory co-operation and dialogue post-Brexit, including through the existing European Nuclear Safety Regulators Group (ENSREG);
- the application of Euratom rules during any post-Brexit implementation period of around two years as proposed by the Prime Minister during her Florence speech, and the implications of doing so while being outside the EU institutions;
- what arrangements will apply to the import of medical isotopes during such an implementation period;
- what assessment has been made of additional customs controls on the import of medical isotopes from the EU after Brexit and any subsequent transitional period, and how those would be mitigated in view of the short half-life of the product;

- how, in the light of the serious 2008–10 supply shortage and the shutdown of supply reactors in Canada and the Netherlands, the Government plans to replace the security of supply function currently fulfilled by the Euratom Supply Agency; and
- in the absence of engagement in the Euratom Supply Agency, what steps the Government plans to take to assure the supply of enriched uranium.

EURATOM

The European Atomic Energy Community, better known as Euratom, was established in 1952 as part of what eventually became the European Union. The UK acceded to Euratom on 1 January 1973 at the same time as it joined the then European Economic Community. All 28 EU Member States are members of Euratom. Switzerland and Ukraine have association arrangements with research aspects of Euratom.

Euratom provides the basis for the regulation of civilian nuclear activity, implements a system of safeguards to control the use of nuclear materials, controls the supply of fissile materials within EU Member States and funds leading international research such as the UK’s Culham Centre of Fusion Energy. Euratom also has a number of nuclear co-operation agreements (NCAs) with third countries.

The UK’s withdrawal from EURATOM

In her letter of 29 March 2017 notifying the EU of the UK’s intention to withdraw from the EU under the terms of Article 50 TFEU, the Prime Minister confirmed that the UK would also withdraw from Euratom. The UK’s future relationship with Euratom has emerged as a key issue in the negotiations between the UK and the EU on EU withdrawal.

In its 13 July position paper on “Nuclear materials and safeguards issues”,¹ the Government indicated a preference for continued close cooperation with Euratom. A particular preference for continued alignment in nuclear research, including ITER, was set out in the Government’s future partnership paper on science and innovation.²

On 11 October, the Government introduced a Nuclear Safeguards Bill in order to establish a UK nuclear safeguards regime as the UK leaves Euratom. The Bill will give the Office for Nuclear Regulation powers to take on the role and responsibilities required to meet the UK’s international safeguards, and nuclear non-proliferation, obligations.

As set out in the joint EU-UK report³ on phase one of the withdrawal negotiations, a number of elements relating to Euratom withdrawal have been agreed. These include agreement that the UK will be responsible for international nuclear safeguards in the UK and is committed to a future regime that provides coverage and effectiveness equivalent to existing Euratom arrangements. Both sides have also agreed the principles of ownership for special fissile material (save for material held in the UK by EU27 entities) and the principles governing responsibility for spent fuel and radioactive waste.

1 HM Government, [Position Paper](#) on Nuclear materials and safeguards issues.

2 HM Government, [A Future Partnership Paper](#) on Collaboration on science and innovation.

3 [Joint report](#) from the negotiators of the European Union and the United Kingdom Government on progress during phase 1 of negotiations under Article 50 TEU on the United Kingdom’s orderly withdrawal from the European Union.

In a separate paper on the negotiations, the Commission further clarified the state of negotiations on Euratom aspects:

“Regarding Special Fissile Material held in the United Kingdom by EU27 undertakings, the United Kingdom has not yet accepted that Euratom rights should continue (e.g. right to approve future sale or transfer of these materials). Both sides agree that ultimate responsibility for spent fuel and radioactive waste remains with the State where it was produced, in line with international conventions and European Atomic Energy Community legislation. Agreement appears to be in sight but must be finalised in regard to the transfer to the United Kingdom of the equipment currently used by Euratom for the purpose of implementing safeguards. Finally, disagreement persists regarding the validity of the approvals of exports from the Union to the United Kingdom after withdrawal.”⁴

The post-Brexit relationship between the UK and Euratom will be tackled during the second phase of the withdrawal negotiations. In advance of that the Business, Energy and Industrial Strategy Committee have published a Report on “Leaving the EU: implications for the civil nuclear sector”.⁵ We consequently draw the various chapters of this Report to the attention of that Committee. The chapter on nuclear research and medical isotopes is also drawn to the attention of the Health Committee.

4 [COM\(2017\) 784](#) Commission Communication on the state of progress of the negotiations with the United Kingdom under Article 50 of the Treaty on European Union.

5 [Leaving the EU: implications for the civil nuclear sector, Second Report of Session 2017–19, HC-378 \(13 December 2017\)](#).

1 Radioactive waste and spent fuel present in the EU

Committee's assessment	Politically important
Committee's decision	Not cleared from scrutiny; further information requested; drawn to the attention of the Business, Energy and Industrial Strategy Committee
Document details	Report from the Commission on progress of implementation of Council Directive 2011/70/EURATOM and an inventory of radioactive waste and spent fuel present in the Community's territory and the future prospects
Legal base	—
Department	Business, Energy and Industrial Strategy
Document Number	(38720), 9329/17 + ADDs 1–2, COM(17) 236

Summary and Committee's conclusions

1.1 The EU—through the European Atomic Energy Community (Euratom)—has responsibility for the safe and responsible management of spent nuclear fuel and radioactive waste. Directive 2011/70/EURATOM put in place a new framework to deliver that objective, seeking to protect workers, the public and future generations from the danger of ionising radiation.

1.2 The Commission's Report is the first comprehensive progress report on the state of implementing the Directive. All Member States generate radioactive waste, and 21 of them also manage spent fuel on their territory.

1.3 Generation of radioactive waste—material for which no further use is foreseen—is associated with nuclear power and non-power uses for medical, research, industrial and agricultural purposes. In the EU almost 90% of radioactive waste is classified as low level or very low level. Spent fuel is nuclear fuel removed from a reactor core following irradiation and which is no longer usable in its current form. It can either be reprocessed or disposed of as high level waste.

1.4 To deliver its objectives, the Directive requires Member States to put in place national policies, national programmes and national legislative, regulatory and operational frameworks. The Commission concludes that it will continue supporting Member States in addressing a number of challenges, including:

- options for radioactive waste and spent fuel disposal, including shared solutions;
- development of a comprehensive overview of the total costs for spent fuel and waste management, which should all be covered by the generators; and
- the development of Member States' national inventories, and possible harmonisation of reporting requirements.

1.5 The Minister for Energy and Industry (Richard Harrington) says that no policy implications arise. On the UK's withdrawal from the EU, he indicates that the outcome of the withdrawal negotiations will determine what arrangements apply in relation to EU legislation in future once the UK has left the EU. When the UK signalled its intention to withdraw from the EU under Article 50 TFEU, it also signalled withdrawal from Euratom.

1.6 Since publication of the Commission Report and the Government's EM, both the European Commission⁶ and the Government⁷ have published position papers on aspects of the future UK-EU relationship pertaining to nuclear waste and the two sides have reached a provisional agreement.

1.7 In the Joint report on progress during phase one of the withdrawal negotiations, the two sides indicated that agreement had been reached on principles on the responsibility for spent fuel and radioactive waste.⁸ The Commission Communication on the state of the negotiations elaborated on that statement, explaining:

“Both sides agree that ultimate responsibility for spent fuel and radioactive waste remains with the State where it was produced, in line with international conventions and European Atomic Energy Community legislation.”

1.8 While the Minister makes no direct reference to future UK participation in Euratom or its activities, the Government has since clarified that its approach is to seek a close and effective relationship with Euratom.

1.9 One of the areas highlighted by the Commission is that of “shared solutions” for radioactive waste management and spent fuel disposal. We ask the Minister to explain to what extent the Government would hope to be able to participate in such solutions once the UK has withdrawn from Euratom.

1.10 The Commission draws attention to the conclusion of reprocessing at Sellafield by 2020, leaving France as the only current Member State with reprocessing available domestically. We would welcome an update from the Government on its latest plans for managing spent fuel while plans for a Geological Disposal Facility are taken forward, including whether this might include export of spent fuel elsewhere for reprocessing or whether it will all be stored.

1.11 A substantial amount of reprocessed fuel remains at Sellafield, including fuel that originally derived from other Euratom Member States. We note that the EU and UK have agreed that the ultimate responsibility for spent fuel and radioactive waste remains with the State where it was produced. We would welcome information as to the proportion of the waste in the UK originally generated in other Euratom Member States and vice versa.

1.12 The Government expected to receive the Commission's formal Opinion on the UK's National Programme over the summer. It would be helpful to know if the Opinion has been received and, if so, we would welcome sight of the documentation.

6 https://ec.europa.eu/commission/sites/beta-political/files/essential-principles-euratom_en_0.pdf.

7 <https://www.gov.uk/government/publications/nuclear-materials-and-safeguards-issues-position-paper>.

8 [Joint report](#) from the negotiators of the European Union and the United Kingdom Government on progress during phase 1 of negotiations under Article 50 TEU on the United Kingdom's orderly withdrawal from the European Union.

1.13 We retain this document under scrutiny and draw it to the attention of the Business, Energy and Industrial Strategy Committee. We look forward to a response to the issues raised by 2 February 2018.

Full details of the documents

Report from the Commission on progress of implementation of Council Directive 2011/70/EURATOM and an inventory of radioactive waste and spent fuel present in the Community's territory and the future prospects: (38720), [9329/17](#) + ADDs 1–2, COM(17) 236.

Background

1.14 Council Directive 2011/70/EURATOM of 19 July 2011 established an EU framework for the responsible and safe management of spent fuel and radioactive waste. The aim of the Directive was to avoid imposing undue burdens on future generations and to protect workers and the general public against the dangers arising from ionising radiation. The Directive was based on some of the principles and requirements of the International Atomic Energy Agency (IAEA) Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management. The UK is a Contracting Party to the Joint Convention.

1.15 The Commission's Report presents information on the progress made by Member States in implementing the Directive and highlights areas where it considers further improvements and attention are required. The Report does not provide a detailed analysis on each Member State but presents the Commission's main findings on progress, challenges and trends.

1.16 The Report indicates that the Commission expects Member States to improve their demonstration of compliance with the Directive in a number of areas, particularly in relation to policies, concepts, plans, research and site selection for the disposal of intermediate level radioactive waste and high level radioactive waste (including spent fuel), projections of inventories for spent fuel and radioactive waste, cost assessments and financing mechanisms.

1.17 The Report also provides an overview of the inventory of spent fuel and radioactive waste in the European Union.

1.18 It is noted that all spent fuel present in the EU is currently in storage. While historical and current practice in certain Member States (including the UK) has been to reprocess spent fuel, the majority of Member States intend to dispose of their spent fuel in deep geological facilities without reprocessing. The option of a Geological Disposal Facility is currently being explored in the UK in the context of its decision to shut down its reprocessing facility at Sellafield by 2020. France will be left as the only Member State with an industrial policy on reprocessing domestically. Some others are reprocessing fuel abroad and are considering doing so in the future.

The Minister's Explanatory Memorandum of 3 August 2017⁹

1.19 The Minister states that no policy implications arise directly from the Commission's Report. He alludes to Brexit, noting simply that the outcome of the withdrawal negotiations will determine what arrangements apply in relation to EU legislation in future once the UK has left the EU.

1.20 He confirms that the Directive on which the Commission reports progress was transposed in the UK by the deadline of 23 August 2013, primarily using the Nuclear Installations Act 1965 and the existing suite of 36 standard site licence conditions under it, and the relevant provisions of the Environmental Permitting Regulations 2010 (England and Wales) and the Radioactive Substances Act 1993 (Scotland and Northern Ireland).

1.21 The Minister observes that, other than noting that the UK will cease reprocessing spent fuel by around 2020, there is no specific detailed analysis on the UK (or any other Member State). He explains that the information provided by the UK in its National Report and National Programme, submitted to the Commission by the deadline of 23 August 2015, is summarised as part of a series of tables in the Report, but the accompanying text does not draw any conclusions on the information provided. Prior to drafting its Report, the Commission sought clarification from the UK on aspects of the UK's National Programme. The questions primarily covered:

- the UK's policies and strategies for spent fuel and radioactive waste management in England, Scotland, Wales and Northern Ireland;
- the storage capacity and disposal plans for spent fuel and radioactive waste arising from the new nuclear build programme;
- the timeframe for site selection for the proposed geological disposal facility;
- the key performance indicators identified to monitor progress on the National Programme as a whole;
- the National Programme costs and financing schemes;
- international agreements concluded with another Member State or a third country on management of spent fuel or radioactive waste, including on the use of disposal facilities; and
- the UK's proposed schedule for international peer reviews, including by the IAEA, of the national framework, competent regulatory authorities and/or the National Programme.

1.22 The Minister confirms that the UK has responded to these questions and expected to receive the Commission's formal Opinion on the National Programme in Summer 2017. The second National Report on implementing the Directive must be submitted to the Commission by 23 August 2018.

Previous Committee Reports

None.

2 Status and outlook for investment in nuclear energy in the EU

Committee's assessment	Politically important
Committee's decision	Not cleared from scrutiny; further information requested; drawn to the attention of the Business, Energy and Industrial Strategy Committee
Document details	Commission Communication—Nuclear Illustrative Programme presented under Article 40 of the Euratom Treaty
Legal base	—
Department	Business, Energy and Industrial Strategy
Document Number	(38718), 9186/17, COM(17) 237

Summary and Committee's conclusions

2.1 Nuclear energy is part of the energy mix of half the EU Member States. This Communication provides an overview of investments in the EU for all steps in the nuclear lifecycle. It is intended to provide a basis for discussion about: the role of nuclear energy in achieving the EU's energy objectives; the associated investments needs; the management of nuclear liabilities; and research investment including in non-power applications such as the production of medical radioisotopes.

2.2 The Commission concludes that nuclear energy will remain an important component of the EU's energy mix over the period until 2050. Nuclear reactors in Europe are ageing and significant investment is needed where Member States opt for a lifetime extension of some reactors and to support decommissioning and the long-term storage of nuclear waste as well as replacement of existing reactors and construction of new reactors. The total estimated investments in the nuclear fuel cycle between 2015 and 2050 are projected to be between €660 billion (£607 billion) and €770 billion (£708 billion). The Communication also states that the highest standards of safety, security, waste management and non-proliferation have to be ensured across the whole fuel cycle. Finally, continuous investment in research and development activities will be needed in order to maintain the EU's global leadership and excellence in nuclear technology and safety.

2.3 EU Member States collaborate on nuclear energy through the linked European Atomic Energy Community (Euratom). When the UK signalled its intention to withdraw from the EU under Article 50 TFEU, it also signalled withdrawal from Euratom.

2.4 The Minister for Energy and Industry (Richard Harrington) notes that no policy implications result from the document. The UK, he says, remains committed to new nuclear and will continue to operate a robust and effective regulatory regime across the whole fuel cycle. This work includes the Nuclear Safeguards Bill, introduced in Parliament on 11 October 2017.

2.5 The UK's commitment to nuclear energy was emphasised in the recent wide-ranging Clean Growth Strategy¹⁰ This reflected a number of the points made by the Commission in its Report, including the need for public investment to support future nuclear fuels, new nuclear manufacturing techniques, recycling and reprocessing, and advanced reactor design.

2.6 The Minister notes that no policy implications arise from this document. We appreciate that the document is largely an inventory but it raises a number of issues which will be salient to the UK in the future, regardless of any future UK engagement in Euratom. As the UK seeks to develop a nuclear power policy outside the EU, we are surprised that the Minister can find no information within this Report with potential implications for future UK policy. We would urge the Government in defining new policies to take account of best practice—and lessons learned—in the EU and elsewhere. We would welcome confirmation from the Government that guidance documents such as this will indeed be used, or at the very least consulted, in the development of the UK's post-Brexit nuclear energy policy, including investment, safety and research considerations. We were pleased to see that a number of the policies set out in the Government's Green Growth Strategy do broadly correspond with the Commission's observations.

2.7 One of the Commission's key observations is that the supply of medical radioisotopes is becoming more fragile and requires a more coordinated approach. This is an example of a topic on which we trust the Government is keen to develop its own policy. We address this question in the Chapter on Nuclear research and medical isotopes.

2.8 Another area of focus by the Commission is nuclear safety. It draws attention to the Nuclear Safety Directive and to the well-established cooperation among nuclear safety authorities of EU Member States thanks to the European Nuclear Safety Regulators Group (ENSREG). We note that Norway and Switzerland have observer status in ENSREG. The Commission also refers to the European Nuclear Energy Forum, which supports dialogue between stakeholders, including civil society. While acknowledging that future arrangements on nuclear safety and other matters will form part of the withdrawal negotiations, we emphasise the need to consider not only the future regulatory framework but also arrangements for regulatory cooperation and for dialogue. We would welcome information on the Government's approach to such arrangements post-Brexit.

2.9 Turning to future arrangements in the immediate post-Brexit period, the Prime Minister indicated in her Florence speech that she would like there to be a post-Brexit implementation period of around two years. The framework for this, proposed the Prime Minister, would be the existing structure of EU rules and regulations, although we are aware that any arrangements are subject to negotiation with the EU. We would welcome confirmation that it is the Government's negotiating objective that the framework of Euratom rules and regulations should continue to apply to the UK for the duration of an implementation period. Is it also the Government's intention that the Nuclear Co-operation Agreements with third countries should be included within

10 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/651232/BEIS_The_Clean_Growth_online.pdf.

those rules and regulations to be applied during any implementation period, or should equivalent arrangements be agreed between the UK and those countries by March 2019?

2.10 As regards UK representation during any implementation period, could the Minister confirm that the UK would no longer participate in any relevant decision-making or deliberations on the orientation of future policy, including the meetings of the Council’s Atomic Questions Working Party? To what extent does the Government consider that absence from that Working Party would have a substantive impact on the UK, assuming both that the UK would be applying Euratom rules and regulations during a withdrawal period and that the Government is successful in negotiating some form of future relationship with Euratom and associated research programmes?

2.11 We retain the document under scrutiny and draw it to the attention of the Business, Energy and Industrial Strategy Committee. We would welcome a response to the issues raised by 2 February 2018.

Full details of the documents

Commission Communication—Nuclear Illustrative Programme presented under Article 40 of the Euratom Treaty: (38718), [9186/17](#), COM(17) 237.

Background

2.12 The Communication (known by its French acronym ‘PINC’) is a report on the status and outlook for investment in nuclear energy in the EU. It is published under Article 40 of the Euratom Treaty, which requires the Commission to periodically publish a nuclear illustrative programme. It is the first PINC published since 2008.

2.13 According to the Commission, there are 129 nuclear power reactors in operation in 14 Member States, with an average age close to 30 years. New build projects are envisaged in ten Member States, with four reactors already under construction in Finland, France and Slovakia. Other projects in Finland, Hungary and the United Kingdom are under the licensing process, while projects in other Member States (Bulgaria, the Czech Republic, Lithuania, Poland and Romania) are at a preparatory stage. The United Kingdom, notes the Commission, has recently announced its intention to close all coal-fired power plants by 2025 and to fill the capacity gap mainly with new gas and nuclear power plants. Looking forward, the Commission expects the share of nuclear electricity in the EU to fall from its current level of 27% to around 20%.

2.14 The Commission sets out the latest nuclear safety developments, drawing particular attention to the amended Nuclear Safety Directive, which has since been mirrored at the international level under pressure from the EU. Cooperation among nuclear safety authorities of EU Member States is now well established thanks to the European Nuclear Safety Regulators Group. The European Nuclear Energy Forum supports dialogue between stakeholders, including civil society.

2.15 The areas for required investment are set out. These include: the front-end of the fuel cycle (such as uranium ore exploration); new nuclear power stations; safety; long term operation of existing plants; and the back-end of the fuel cycle, such as waste management

and decommissioning. The Commission points out, for example, that 90 nuclear power reactors had been shut down by January 2016 but only three had been completely decommissioned.

2.16 The Commission goes on to consider non-power applications, noting that nuclear and radiation technologies have many applications in the medical sector, industry, agriculture and research. Radioisotopes are used to treat nine million European citizens each year, notably technetium-99m (Tc-99m). The Commission notes that the supply of medical radioisotopes is becoming more fragile and requires a more coordinated approach.

2.17 Finally, the Commission considers the need for EU to maintain its technology leadership in the nuclear domain through further research and development activities. This should include, the Commission says, support for the development of fusion through the International Thermonuclear Experimental Reactor (ITER).

The Minister's Explanatory Memorandum of 1 August 2017

2.18 The Minister sets out the Government's position in the following terms:

“There are no policy implications resulting from this report and Member States are not required to do anything in response. The UK remains committed to new nuclear and will continue to operate a robust and effective regulatory regime across the whole fuel cycle.”

Previous Committee Reports

None.

3 EU Contribution to a reformed ITER project

Committee's assessment	Politically important
Committee's decision	Not cleared from scrutiny; further information requested; drawn to the attention of the Business, Energy and Industrial Strategy Committee
Document details	Commission Communication—EU contribution to a reformed ITER project
Legal base	—
Department	Business, Energy and Industrial Strategy
Document Number	(38849), 10434/17 + ADD 1, COM(17) 319

Summary and Committee's conclusions

3.1 Launched in 2005 and now involving seven global partners (Euratom,¹¹ US, Russia, Japan, China, South Korea and India), ITER (International Thermonuclear Experimental Reactor) is a project to build and operate an experimental facility to demonstrate the scientific viability of fusion as a future sustainable energy source. ITER is being built at the Cadarache research centre in southern France and originally aimed to complete construction with so-called “First Plasma” in 2020.¹² That stage is now expected to be reached only by December 2025. Progress to full performance operation is foreseen by 2035.

3.2 Following an overhaul of ITER management, the Commission's Communication seeks *ad referendum* approval (i.e. non-binding and subject to finalisation at a later date) to agree with other partners a new baseline budget for the project post-2020. The total EU contribution to ITER between 2021 and 2035 is estimated at €7.1 billion (£6.2 billion).¹³ No change is foreseen to the EU's contribution of €6.6 billion (£5.8 billion) by 2020. There are no new funding commitments at this stage as any funding post-2020 is subject to wider discussions about the EU budget from 2020 and negotiations about the UK leaving the EU.

3.3 The Minister of State for Universities, Science, Research and Innovation (Jo Johnson) notes that the proposal demonstrates the EU's continued commitment to ITER in principle, although the approval sought by the Commission is non-binding.

3.4 The Minister re-iterates past Government statements to the effect that the UK would like to find a way to continue to participate in ITER once it has withdrawn from the EU, but this will be dependent on negotiations. In its September 2017 future partnership

11 The European Atomic Energy Community, comprising all members of the EU as well as Switzerland which participates in some of the research activities, including ITER.

12 First Plasma represents the stage in the construction of the fusion machine that will allow testing the essential components of the machine; under the terms of the ITER Agreement, it is the point where the construction phase is formally completed and the operation phase starts.

13 £1 = €1.336, or £0.8821 = €1 as at 31 October.

paper on “Collaboration on science and innovation”,¹⁴ the Government confirmed that the UK hopes to find a way to continue working with the EU on nuclear research and development, including the ITER programme and its predecessor, JET (Joint European Torus).

3.5 The JET programme contributes to the preparatory work for ITER. It is based in the UK and is largely funded by Euratom, although an EU decision is pending on whether to extend the existing contract, which expires in 2018, to 2020. The Government has confirmed that, should the Commission agree to extend the JET contract, the UK will underwrite its share of JET contract costs after it leaves the EU.¹⁵

3.6 The over-run of the ITER project means that the costs of this already very expensive project are escalating. We note that Euratom’s contribution post-2020 is subject to a number of factors, including the UK’s withdrawal from the EU, but we also note that the preferred UK position is to continue its involvement in ITER. In that light, we seek the Minister’s assurance that he is as convinced as the Commission that the management and governance challenges faced by ITER have been overcome and that the likelihood of a further extension of the initial “First Plasma” stage beyond 2025, and full performance operation by 2035, is minimal.

3.7 The Minister’s preference is to find a way to continue to participate in ITER post-Brexit. Would the Minister prefer to participate as a global partner or in association with Euratom? What is the Minister’s assessment of the impact on the UK of non-participation in the future?

3.8 In the shorter term, the Government’s future partnership paper on science and innovation drew attention to the required EU decision as to whether to extend the existing JET contract beyond December 2018. We note that Austria—one of the least supportive Member States towards nuclear power—will hold the Presidency in the second half of 2018. We would welcome the Minister’s reflection on the desirability, and likelihood, of securing agreement to the JET contract extension before the launch of the Austrian Presidency.

3.9 Some of the uncertainty regarding future funding relates to continued question marks over the UK’s financial settlement with the EU as part of the UK’s exit from the EU. The provisional agreement on phase one of those negotiations has in principle safeguarded Euratom-related funding (including JET and ITER) until the end of 2020—subject to a satisfactory overall withdrawal agreement—but any contributions thereafter to programmes such as Euratom are referred to only in the statement that the UK “may wish to participate in some Union budgetary programmes of the new [Financial Framework] post-2020 as a non-Member State.” This highlights the inter-relationship between negotiations on the financial settlement and the UK’s future strategic priorities.

3.10 We retain the document under scrutiny and draw it to the attention of the Business, Energy and Industrial Strategy Committee, given that Committee’s interest in the impact of Brexit on the civil nuclear sector. We look forward to a response to our queries by 2 February 2018.

14 <https://www.gov.uk/government/publications/collaboration-on-science-and-innovation-a-future-partnership-paper>.

15 <https://hansard.parliament.uk/Commons/2017-06-27/debates/17062744000005/Underwrite>.

Full details of the documents

Commission Communication—EU contribution to a reformed ITER project: (38849), [10434/17](#), COM(17) 319.

Background

3.11 The EU is the single largest contributor to ITER and provides 45% of ITER's construction costs. Of that contribution, 80% comes directly from the EU budget and 20% from France as the host country.

3.12 In 2010, the EU approved the current ITER baseline budget which assumed ITER construction would be complete by 2020. At that time, the Council capped the EU financial contribution to ITER at €6.6 billion (£5.8 billion) up to 2020. The Commission is clear that the new baseline agreement requires no increase in that cap to 2020.

3.13 Following a recent overhaul of the ITER management and an independent review, in June 2016 the ITER Council endorsed an updated schedule for ITER construction that anticipates that construction (“First Plasma” stage) will complete in 2025. The Communication describes the rationale behind the new schedule and the measures being taken to ensure the project stays on track. The Commission recognises that the ITER project reforms have had a positive impact on progress and recommends that the new baseline is agreed.

3.14 This Communication provides estimates of the EU funding and resources needed to meet the ITER construction schedule beyond 2020 (total EU contributions to ITER between 2021 and 2035 are estimated at €7.1 billion (£6.2 billion) and seeks the support of the European Parliament and Council for the Commission to approve these new assumptions at a planned ITER Council meeting later in 2017.

3.15 No non-EU members of the European Economic Area participate in ITER. Switzerland participates in ITER through an association to the Euratom Research and Training Programme but is not a member of the EEA.

The Minister's Explanatory Memorandum of 11 July 2017

3.16 The Minister observes that the proposal demonstrates the EU's continued commitment to ITER in principle, but the approval sought by the Commission is *ad referendum* and therefore non-binding. The paper makes clear, he says, that any approval will be without prejudice to further proposals from the Commission, the outcome of negotiations on the withdrawal of the United Kingdom from the EU, and decisions on the Multiannual Financial Framework post-2020. As such the Minister judges that the action has no direct policy implications beyond sending a positive signal regarding continued EU involvement in ITER.

3.17 On Brexit, the Minister says:

“The paper references the fact that the UK exit negotiations may affect future Euratom funding available for ITER but does not take any specific view other than UK withdrawal will not affect the EU's overall financial obligations to ITER specified in the ITER Agreement.

“The UK Government has stated previously that the UK would like to find a way to continue to participate in ITER following EU exit, but this will be dependent on negotiations. These papers do not alter that position, although the long-term ITER budget assumptions will be a consideration.”

3.18 The paper comments that ITER membership is a positive investment for the EU, with European industry (an estimated 300 companies including SMEs) having benefitted from ITER construction contracts worth around €3.8 billion (£3.3 billion) since the beginning of ITER activities in January 2008. Future contract opportunities are noted as promising.

Previous Committee Reports

None.

4 Nuclear research and medical isotopes

Committee's assessment	Politically important
Committee's decision	Cleared from scrutiny; further information requested; drawn to the attention of the Business, Energy and Industrial Strategy and Health Committees
Document details	Proposal for a Council Decision on the adoption of the 2016–2019 High Flux Reactor supplementary research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community.
Legal base	Article 7 of the Treaty establishing the European Atomic Energy Community (Euratom)
Department	Business, Energy and Industrial Strategy, and Health
Document Number	(38639), 7892/17, COM(17) 83

Summary and Committee's conclusions

4.1 At EU-level, nuclear research is coordinated by the European Commission as part of its responsibilities under Euratom. One of Euratom's research projects is based at the High Flux Reactor (HFR), a nuclear research reactor located in Petten (the Netherlands). The HFR is one of the world's better known multi-purpose research and test reactors. The reactor has also been increasingly involved with medicine around Europe, as a key producer of medical radio-isotopes, some of which it provides to the UK (see below). Medical isotopes, primarily technetium-99m or Tc-99m, are used to detect and treat certain types of cancer.

4.2 On 31 March 2017, the European Commission presented a proposal for a new research programme for the reactor to cover the period 2016–2019. Its key objectives would be to allow efficient use of the HFR by research institutes in a broad range of disciplines, including improvement of the safety of nuclear reactors, nuclear medicine including the development of medical isotopes, nuclear fusion, and management of nuclear waste.

4.3 The Explanatory Memorandum on the proposal for the reactor's new research programme, submitted by then-Minister of State Jesse Norman in April 2017, noted that the UK will not contribute financially to the project, or be a participant in the research undertaken. The proposal was formally adopted by the Council on 29 May 2017, before it was cleared from scrutiny.¹⁶ On 28 July, the new Minister for Energy and Industry (Richard Harrington) informed us that the Government had overridden scrutiny to vote in favour of the proposal, because "failure to support this decision would have required a high profile intervention in Council by a UK minister in a manner likely to be perceived as antagonistic".

4.4 While the substance of the proposal was not controversial, its political context is—of course—Brexit. The Prime Minister's formal notification of the UK's withdrawal from the EU under Article 50 of the Treaty on European Union (TEU) also included

¹⁶ Competitiveness Council conclusions, 29–30 May 2017.

Euratom.¹⁷ Nuclear industry stakeholders have expressed concerns that the two-year negotiating period under Article 50 is insufficient for the UK to replicate Euratom's existing regulatory safeguards regime for nuclear facilities domestically and agree new cooperation agreements with the EU, the IAEA and third countries. In addition, the medical establishment has warned that withdrawal from Euratom could impact on the availability and cost of medical isotopes in the UK post-Brexit.¹⁸

4.5 Given the HFR's prominent role in the production of molybdenum-99, the decay product of which is the medical isotope Tc-99m, the previous Committee in its consideration of the Commission proposal in April 2017 focussed primarily on the implications of Brexit—specifically, withdrawal from Euratom—for the UK's access to medical radio-isotopes for use in hospitals. The Committee also discussed the broader implications of the UK's exit from the Atomic Energy Community.¹⁹

4.6 On 28 July, the new Minister for Energy (Richard Harrington) replied to our predecessors' letter of 25 April. He noted that the Government had not conducted a formal impact assessment on leaving Euratom, but emphatically confirmed that the UK's ability to import medical isotopes from the EU or the rest of the world “will not be affected by withdrawal from Euratom”. He also acknowledged the nuclear industry's broader concerns about the UK's exit from Euratom, noting that an “unsatisfactory withdrawal risks significant impacts for the nuclear sector”.

4.7 Representatives of the medical profession gave evidence to the House of Lords on the potential implications of Brexit for the supply of radio-isotopes on 22 November. Representatives of the British Medical Association, the British Nuclear Medicine Society and the Royal College of Radiologists urged the Government to provide more detail on the exact procedures that will apply to transports of such products after Brexit. They expressed particular concerns about the possibility of new customs controls on transports from the EU. The delays resulting from such controls could necessitate a new approach to importation given that any delays could render the isotopes useless.²⁰

4.8 The proposed supplementary research programme for the High Flux Reactor did not raise any issues of substance, and we are content to clear the document from scrutiny. We also accept the Minister's reasoning for the override of scrutiny on this proposal, in view of its uncontroversial nature.

4.9 With respect to the supply of medical isotopes post-Brexit, we have taken note of the Minister's assurance that the UK's ability to import medical isotopes from the EU or the rest of the world will not be affected by withdrawal from Euratom. However, medical isotopes are covered by the organisation's common market for nuclear

17 [Letter from Theresa May to Donald Tusk](#) (29 March 2017), p. 1.

18 See for example the Royal College of Radiologists, “[RCR statement on the potential impact of leaving the Euratom treaty](#)” (10 July 2017) or the BNMS, “[British Nuclear Medicine Society statement on leaving Euratom](#)” (July 2017).

19 In the previous Parliament, the Business, Energy & Industrial Strategy Committee [identified](#) a number of risks flowing from the UK's decision to quit Euratom. These related to the UK's safeguarding regime for nuclear materials and facilities; potential disruption to trade in nuclear materials (including uranium); and fewer opportunities for UK participation in international nuclear research programmes.

20 House of Lords EU Committee, “[Health implications of leaving Euratom explored by Committee in one-off session](#)” (22 November 2017).

materials and the wider absence of customs controls within the Single Market, of which the UK will cease to be a Member in March 2019. We ask the Minister to clarify urgently:

- what arrangements will apply to the import of medical isotopes from the EU during any post-Brexit implementation period of around two years as proposed by the Prime Minister during her Florence speech; and
- what assessment has been made of additional customs controls on transports of radio-isotopes from the EU to the UK after Brexit, and how those would be mitigated in view of the short half-life of the product.

4.10 We note that, largely through the European Observatory on the Supply of Medical Radioisotopes, the Euratom Supply Agency (ESA) has an important function in relation to the coordination of security of supply, particularly following the 2008–10 supply shortage, which had a serious clinical impact in the UK. The ESA is also at the forefront of efforts to consider future EU supply of enriched uranium, which is required for the production of medical radioisotopes. We ask that the Minister clarify:

- how, in the light of the serious 2008–10 supply shortage and the shutdown of supply reactors in Canada and the Netherlands, the Government plans to replace the security of supply function currently fulfilled by the Euratom Supply Agency; and
- in the absence of engagement in the Euratom Supply Agency, what steps the Government plans to take to assure the supply of enriched uranium.

4.11 We expect to receive his response by 2 February 2018. We draw this chapter to the attention of the Business, Energy and Industrial Strategy and Health Committees.

Full details of the documents

Proposal for a Council Decision on the adoption of the 2016–2019 High Flux Reactor supplementary research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community: (38639), 7892/17, COM(17) 83.

Background

4.12 At EU-level, nuclear research is coordinated by the European Commission as part of its responsibilities under Euratom, formally the European Atomic Energy Community. Euratom, which was established alongside the European Economic Community in 1957, created a common market for the nuclear industry. It also sets safety standards for nuclear facilities and transport of materials; carries out safeguarding inspections of nuclear facilities in its Member States; and has responsibility for Member States' international nuclear cooperation agreements with third countries, including Canada, Japan and the USA.

4.13 Euratom is a separate legal entity from the EU, but shares its institutions. The Prime Minister's formal notification of the UK's withdrawal under Article 50 of the Treaty on European Union (TEU) also included Euratom,²¹ although there is some ambiguity as to whether this was necessary as a matter of law.²²

High Flux Reactor

4.14 One of Euratom's research projects is based at the High Flux Reactor (HFR), a nuclear research reactor located in Petten (the Netherlands). Since the HFR is an asset belonging to the Commission, all EU Member States have an indirect interest in its operation as they all benefit from data from the programme of experimentation from the reactor.

4.15 The HFR is one of the world's better known multi-purpose research and test reactors. Since 1963, it has offered irradiation and post-irradiation examination services. In addition, it provides services such as processing materials with neutrons and gamma rays, and acts as a training facility hosting doctoral and post-doctoral researchers. The reactor has also been increasingly involved with medicine around Europe, as a key producer of medical radio-isotopes, some of which it provides to the UK (see below).

4.16 In addition to the reactor's day-to-day activities, supplementary research programmes are set on a multi-annual basis by the Council, voting unanimously, on a proposal from the Commission.²³ The research objectives of the HFR for 2012–2015 were adopted by EU Finance Ministers in November 2012.²⁴ On 31 March 2017 the European Commission presented a proposal for a new research programme for the reactor to cover the period 2016–2019.²⁵ The costs of the proposed supplementary research programme are borne by Netherlands and France.

4.17 The key scientific and technical objectives of the proposal are the following:

- To ensure safe and reliable operation of the HFR, in order to guarantee the availability of the neutron flux for experimental purposes; and
- To allow efficient use of the HFR by research institutes in a broad range of disciplines, including improvement of safety of nuclear reactors, nuclear medicine including the development of medical isotopes, nuclear fusion, and management of nuclear waste.

4.18 The Explanatory Memorandum on the proposal for the reactor's new research programme, submitted by then-Minister of State Jesse Norman on 19 April, noted that the UK will not contribute financially to the project, or be a participant in the research undertaken. The Minister added, however, that research from the HFR "contributes to the overall knowledge base for nuclear energy technology accessible to the UK and its partners".²⁶

21 [Letter from Theresa May to Donald Tusk](#) (29 March 2017), p. 1.

22 Nuclear Industry Association, "Exiting Euratom" (accessed 9 January 2018): "The NIA and its members believe it is not necessary to leave Euratom as part of the Brexit process".

23 See [Article 7](#) of the Treaty establishing the European Atomic Energy Community (Euratom).

24 See [Council Decision 2012/709/Euratom](#) of 13 November 2012.

25 The full proposal is available [here](#).

26 [Explanatory Memorandum](#) submitted by the Department for Business, Energy & Industrial Strategy (19 April 2017).

4.19 The proposal was formally adopted by the Council on 29 May 2017, before it was cleared from scrutiny.²⁷ On 28 July, the new Minister for Energy and Industry (Richard Harrington) informed us that the Government had overridden scrutiny to vote in favour of the proposal, because “failure to support this decision would have required a high profile intervention in Council by a UK minister in a manner likely to be perceived as antagonistic”. He also argued that it would have resulted in delays “that could have caused significant financial hardship for the national research establishments of fellow Member States”.²⁸

Nuclear research and medical isotopes

4.20 When the Committee considered the HFR proposal at its meeting on 25 April 2017, it was primarily interested in the implications of Brexit—specifically, withdrawal from Euratom—for the UK’s access to medical radioisotopes for use in hospitals. The new 2016–2019 supplementary research programme explicitly identifies the production of such isotopes as one of its objectives. The Committee also discussed the broader implications of the UK’s exit from the Atomic Energy Community (see paragraphs 4.24 to 4.28 below).

4.21 Medical isotopes can be used to detect serious diseases (including cancer of the bone, cardiac, lung and kidney) at an early stage, before other scanning methods are capable of doing so. They are also used for surgical procedures in patients with breast and other cancers such as melanoma. However, the UK currently does not produce any molybdenum-99 (⁹⁹Mo), the decay product of which (technetium-99m or Tc-99m) is ultimately used for 90% of medical interventions involving radio isotopes.²⁹ The UK is entirely reliant on import from other countries. The material cannot be stockpiled as it has a half-life of only 66 hours.

4.22 The Petten High Flux Reactor is a crucial producer of radioisotopes, with the supply it generates covering more than 60% of all the 10 million medical diagnoses executed each year in Europe. Moreover, through its location, the output of the reactor can be rapidly transported to European medical centres. For these reasons, the European Commission has called it a “fundamental supplier for European radiopharmaceutical companies in this field”. In England, approximately half a million scans are performed annually using imported radioisotopes,³⁰ while more than 10,000 patients across the UK have their cancers directly treated by these materials each year.³¹

4.23 To make the supply of medical isotopes more secure, the European Commission in 2012 established a European Observatory on the Supply of Medical Radioisotopes.³² Its objectives are to support a secure ⁹⁹Mo, supply across the EU, principally by coordinating reactor shutdowns so production in Europe is never entirely interrupted.³³ The Commission has previously suggested more active EU intervention in the market for medical isotopes,

27 Competiveness Council, “[Outcome of the Council meeting](#)” (29–30 May 2017).

28 [Letter](#) from Richard Harrington to the Chair of the European Scrutiny Committee (28 July 2017).

29 There are also a number of other medical radioisotopes that the UK imports including I-131, which is used for the treatment of thyroid cancer, Ra-223 used in the treatment of bone tumours and Lu-177 that is used for the treatment of neuroendocrine tumours. However, the material used for PET/CT scanning is produced domestically in the UK.

30 For the figures for 2016–17, see “[Diagnostic Imaging Dataset Statistical Release](#)” (18 May 2017), p. 7.

31 BSNM, “[Future Supply of Medical Radioisotopes for the UK](#)” (2014).

32 See the [European Commission website](#) for more information.

33 See [this note](#) from the Dutch Presidency of the Council on the security of supply of medical radioisotopes (May 2016).

for example via loans³⁴ to support production, or through a Joint Undertaking which could actually take control of the production cycle.³⁵ It will publish a strategy paper setting out its recommendation for further EU-level measures in this field in 2018.³⁶

Impact of withdrawal from Euratom on the UK

4.24 On 23 February 2017 the *Financial Times* reported that Fiona Rayment, Director of the National Nuclear Laboratory (which is owned by the Department for Business, Energy and Industrial Strategy) had said that imports of medical isotopes “would not be possible without new regulatory agreements after [UK] withdrawal from Euratom”. The Royal College of Radiologists has also said that it is “seriously concerned about continued access to [imported medical isotopes] if we leave the Euratom treaty”, as well as about potential “increased radioisotope pricing”.³⁷ Similarly, the British Nuclear Medicine Society has argued that “leaving Euratom will impact on the supply and cost of medical radioisotopes”.³⁸

4.25 In response to these concerns, the previous Committee wrote to the Minister on 25 April 2017 asking him whether the UK would still be able to import medical isotopes from the EU following Brexit if no new nuclear cooperation agreement was in place with Euratom on “exit day”.³⁹ Our predecessors also asked him to clarify what proportion of isotopes used in British hospitals originated in nuclear reactors located in other EU Member States.

4.26 The UK’s withdrawal from Euratom has raised a broader set of issues for the UK’s nuclear industry beyond the supply of medical isotopes. In the previous Parliament, the Business, Energy and Industrial Strategy Committee identified risks to quality of the UK’s safeguarding regime for nuclear materials and facilities; potential disruption to trade in nuclear materials (including uranium); and fewer opportunities for UK participation in international nuclear research programmes.⁴⁰

4.27 In light of these risks, the Nuclear Industry Association (NIA) has called for a transitional arrangement during which the UK would keep its current arrangements under Euratom post-Brexit, while a new agreements for nuclear cooperation are concluded with the EU, the International Atomic Energy Agency (IAEA) and third countries.⁴¹ If the UK cannot put in place a domestic regulatory regime and replace existing agreements by “exit day”, both imports and exports of nuclear material and technology could be severely disrupted.⁴²

34 See [Article 172](#) of the Euratom Treaty.

35 See Commission Communication COM(2010) 423, “[Medical applications of ionizing radiation and security of supply of radioisotopes for nuclear medicine](#)” (8 July 2010).

36 See “[Outcome of the Council meeting](#)” (6 and 7 June 2016).

37 Royal College of Radiologists, “[RCR statement on the potential impact of leaving the Euratom treaty](#)” (10 July 2017).

38 BNMS, “[British Nuclear Medicine Society statement on leaving Euratom](#)” (July 2017).

39 Letter from Sir William Cash to Jesse Norman (25 April 2017).

40 Business, Energy and Industrial Strategy Committee, [Leaving the EU: negotiation priorities for energy and climate change policy](#), 25 April 2017, HC 909.

41 The EU Treaties Office lists [107 agreements](#) to which Euratom is party, and which by extension cover the UK until it leaves the EU. These include agreements with [Australia](#), [Canada](#) and [Kazakhstan](#) on the transfer of uranium. Together, these three countries provide [65% of the global supply](#). The agreements were concluded (ratified) by Euratom under its exclusive competence, and as such the UK is not independently party to them.

42 NIA, “[The UK’s withdrawal from Euratom](#)” (May 2017).

4.28 Given the potential consequences of a disruptive exit from Euratom, the previous Committee therefore also asked the Minister to supply Parliament with the Government's overall assessment of the consequences of leaving the Atomic Energy Community, including for the supply of equipment for the nuclear industry and the transfer of responsibilities (such as safeguard inspections) currently performed by Euratom staff.

The Government's view

4.29 On 13 July 2017, the Government published a position paper on its approach to the UK's withdrawal from Euratom,⁴³ and on 28 July the Minister replied to our predecessors' letter of 25 April with respect to the questions raised about the supply of medical isotopes.⁴⁴

4.30 He reiterates his position from the Westminster Hall debate of 12 July, in which he called for the UK to have a "constructive, collaborative relationship with Euratom".⁴⁵ With respect to the supply of medical isotopes, he states that the UK will still be able to import Tc-99m irrespective of its withdrawal from the EU and Euratom:

"It is correct that medical isotopes are currently governed and regulated under the Euratom framework, however Euratom places no restrictions on the export of these isotopes to countries outside of the EU. Moreover, these isotopes are not subject to Euratom Supply Agency contracts or to Euratom nuclear safeguards arrangements, meaning that there are no special arrangements that will need to be put in place ahead of the UK's withdrawal from Euratom. Therefore, the UK's ability to import medical isotopes from the EU or the rest of the world will not be affected by withdrawal from Euratom."

4.31 He also notes that there are three main companies in the UK that import molybdenum-99, sourcing supplies from reactors mainly in Europe, but also from South Africa. He was unable to supply us with data on the proportion of Mo-99 imported from the EU, saying that "this data will be held by the companies".

4.32 We note that, the Minister's unequivocal statement about the availability of radioisotopes after Brexit has not assuaged the concerns of the medical profession. In November 2017 representatives of the British Medical Association, the British Nuclear Medicine Society and the Royal College of Radiologists urged the Government to provide more detail on the exact procedures that will apply to transports of such products from the EU into the UK after Brexit, in particular with regards to new customs controls and resulting delays, which could render the isotopes useless.⁴⁶

4.33 With respect to the nuclear industry's broader concerns about the UK's exit from Euratom, the Minister acknowledges that an "unsatisfactory withdrawal risks significant impacts for the nuclear sector". He adds that, in order to ensure no interruption in the "quality and robustness of our civil nuclear regime", a "new team in the Department has

43 DExEU, "[Position paper: nuclear materials and safeguards issues](#)" (13 July 2017).

44 Letter from Richard Harrington to the Chair of the European Scrutiny Committee (28 July 2017). This is a separate letter from the Minister's other letter, also dated 28 July (see paragraph 4.19 above).

45 The transcript of the Westminster Hall debate of 12 July 2017 is available [here](#).

46 House of Lords EU Committee, "[Health implications of leaving Euratom explored by Committee in one-off session](#)" (22 November 2017).

been established and tasked with, among other work, taking forward negotiations with the EU, nuclear cooperation agreements with key partner states and establishing a domestic safeguards regime”.

4.34 The Minister signs off by saying that the Government did not conduct a formal impact assessment of leaving Euratom, but explains that “detailed assessment of the impact and implications of leaving were made through dialogue and engagement with the nuclear industry, the R&D community and the independent regulator”. We note in this respect that the Nuclear Industry Association has said that it “made the case to Government that it [was] not necessary to leave Euratom as part of the Brexit process”.⁴⁷ It appears that the UK may effectively remain a member of Euratom (albeit without political representation) during the “implementation period” sought by the Government. We have considered the exact implications of this development elsewhere in this Report.

Previous Committee Reports

None.

47 NIA, [“The UK’s withdrawal from Euratom”](#) (May 2017), p. 1.

Formal Minutes

Wednesday 10 January 2018

Members present:

Sir William Cash, in the Chair

Steve Double	Darren Jones
Richard Drax	David Jones
Marcus Fysh	Andrew Lewer
Kate Green	Michael Tomlinson
Kate Hoey	David Warburton
Kelvin Hopkins	

4. European Atomic Energy Community

Draft Report, *European Atomic Energy Community*, proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1.1 to 4.34 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Eighth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

[Adjourned till Wednesday 17 January at 9.30am.]

Standing Order and membership

The European Scrutiny Committee is appointed under Standing Order No.143 to examine European Union documents and—

- a) to report its opinion on the legal and political importance of each such document and, where it considers appropriate, to report also on the reasons for its opinion and on any matters of principle, policy or law which may be affected;
- b) to make recommendations for the further consideration of any such document pursuant to Standing Order No. 119 (European Committees); and
- c) to consider any issue arising upon any such document or group of documents, or related matters.

The expression “European Union document” covers—

- i) any proposal under the Community Treaties for legislation by the Council or the Council acting jointly with the European Parliament;
- ii) any document which is published for submission to the European Council, the Council or the European Central Bank;
- iii) any proposal for a common strategy, a joint action or a common position under Title V of the Treaty on European Union which is prepared for submission to the Council or to the European Council;
- iv) any proposal for a common position, framework decision, decision or a convention under Title VI of the Treaty on European Union which is prepared for submission to the Council;
- v) any document (not falling within (ii), (iii) or (iv) above) which is published by one Union institution for or with a view to submission to another Union institution and which does not relate exclusively to consideration of any proposal for legislation;
- vi) any other document relating to European Union matters deposited in the House by a Minister of the Crown.

The Committee’s powers are set out in Standing Order No. 143.

The scrutiny reserve resolution, passed by the House, provides that Ministers should not give agreement to EU proposals which have not been cleared by the European Scrutiny Committee, or on which, when they have been recommended by the Committee for debate, the House has not yet agreed a resolution. The scrutiny reserve resolution is printed with the House’s Standing Orders, which are available at www.parliament.uk.

Current membership

[Sir William Cash MP](#) (*Conservative, Stone*) (Chair)

[Douglas Chapman MP](#) (*Scottish National Party, Dunfermline and West Fife*)

[Geraint Davies MP](#) (*Labour/Cooperative, Swansea West*)

[Steve Double MP](#) (*Conservative, St Austell and Newquay*)

[Richard Drax MP](#) (*Conservative, South Dorset*)

[Mr Marcus Fysh MP](#) (*Conservative, Yeovil*)

[Kate Green MP](#) (*Labour, Stretford and Urmston*)

[Kate Hoey MP](#) (*Labour, Vauxhall*)

[Kelvin Hopkins MP](#) (*Independent, Luton North*)

[Darren Jones MP](#) (*Labour, Bristol North West*)

[Mr David Jones MP](#) (*Conservative, Clwyd West*)

[Stephen Kinnock MP](#) (*Labour, Aberavon*)

[Andrew Lewer MP](#) (*Conservative, Northampton South*)

[Michael Tomlinson MP](#) (*Conservative, Mid Dorset and North Poole*)

[David Warburton MP](#) (*Conservative, Somerton and Frome*)

[Dr Philippa Whitford MP](#) (*Scottish National Party, Central Ayrshire*)