

HOUSE OF LORDS

International Agreements Committee

3rd Report of Session 2024–25

**Scrutiny of
International
Agreements: The
AUKUS Naval
Nuclear Propulsion
Cooperation
Agreement**

Ordered to be printed 15 October 2024 and published 17 October 2024

Published by the Authority of the House of Lords

International Agreements Committee

The International Agreements Committee is appointed by the House of Lords in each session to consider, and where appropriate report on, 1) matters relating to the negotiation, conclusion and implementation of international agreements, and 2) treaties laid before Parliament in accordance with Part 2 of the Constitutional Reform and Governance Act 2010.

Membership

The Members of the International Agreements Committee are:

[Lord Anderson of Swansea](#)

[Lord Grimstone of Boscobel](#)

[Lord Boateng](#)

[Lord Hannay of Chiswick](#)

[Lord Etherton](#)

[Lord Howell of Guildford](#)

[Lord Fox](#)

[Baroness Kingsmill](#)

[Lord German](#)

[Lord Marland](#)

[Lord Goldsmith](#) (Chair)

[Lord Udny-Lister](#)

Declaration of interests

See Appendix 1.

A full list of Members' interests can be found in the Register of Lords' Interests: <https://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lordsinterests>

Publications

All publications of the Committee are available at: <https://committees.parliament.uk/committee/448/international-agreements-committee/publications/>

Parliament Live

Live coverage of debates and public sessions of the Committee's meetings are available at: <https://www.parliamentlive.tv>

Further information

Further information about the House of Lords and its Committees, including guidance to witnesses, details of current inquiries and forthcoming meetings is available at: <https://www.parliament.uk/business/lords>

Committee staff

The Committee staff are Rhiannon Williams (Clerk), Cathy Adams (Counsel for International Law), Sophie Andrews-McCarroll (Policy Analyst) and Karen Sumner (Committee Operations Officer).

Contact details

All correspondence should be addressed to the International Agreements Committee, Committee Office, House of Lords, London SW1A 0PW. Telephone 0207 219 4840. Email [International Agreements Committee](#)

Social Media

You can follow the Committee on X (formerly Twitter): [@HLIntAgreements](#)

CONTENTS

| | <i>Page</i> |
|---|-------------|
| Summary | 2 |
| Agreement reported to the House for special attention | 3 |
| Agreement among the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Australia, and the Government of the United States of America for Cooperation related to Naval Nuclear Propulsion (CP 1148, 2024) | 3 |
| Background | 3 |
| Progress on delivering Pillar One of AUKUS | 6 |
| Table 1: Timeline for Australia’s nuclear-powered submarine pathway | 6 |
| Purpose of the AUKUS Naval Nuclear Propulsion Cooperation Agreement | 9 |
| Appendix 1: List of Members and declarations of interest | 12 |

SUMMARY

This report addresses the following Agreement, laid before Parliament in accordance with section 20 of the Constitutional Reform and Governance Act 2010 (CRAG):

- Agreement among the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Australia, and the Government of the United States of America for Cooperation related to Naval Nuclear Propulsion (CP 1148, 2024)

We report the Agreement for special attention on the grounds that it is politically important and gives rise to issues of public policy that the House may wish to debate prior to ratification. In particular, the Agreement is strategically significant in that it is part of the wider trilateral AUKUS partnership and supersedes the earlier Exchange of Naval Nuclear Propulsion Information Agreement. This new Agreement will continue to allow for the exchange of naval nuclear propulsion information as well as allowing the transfer of material and equipment relating to naval nuclear propulsion, including Special Nuclear Material. This will allow UK industry to support Australia in building a trilaterally developed submarine incorporating technology from the UK, the US and Australia.

Scrutiny of International Agreements: The AUKUS Naval Nuclear Propulsion Cooperation Agreement

AGREEMENT REPORTED TO THE HOUSE FOR SPECIAL ATTENTION

Agreement among the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Australia, and the Government of the United States of America for Cooperation related to Naval Nuclear Propulsion (CP 1148, 2024)¹

1. The Agreement among the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Australia, and the Government of the United States of America for Cooperation related to Naval Nuclear Propulsion (the AUKUS Naval Nuclear Propulsion Cooperation Agreement) was laid on 2 September 2024, and the scrutiny period is scheduled to end on 29 October 2024. It was considered by the Committee on 15 October 2024.

Background

2. The AUKUS Naval Nuclear Propulsion Cooperation Agreement forms part of a broader trilateral defence and security partnership between the UK, the US and Australia, commonly referred to as AUKUS. The partnership was announced in a non-legally binding joint statement by the Prime Ministers of the United Kingdom and Australia and the President of the United States on 15 September 2021.² This partnership consists of two pillars:
 - Pillar One focuses on supporting Australia to acquire its first conventionally armed, nuclear-powered submarine fleet.
 - Pillar Two focuses on cooperation in eight advanced military capability areas: artificial intelligence, quantum technology, innovation, information sharing, cyber, undersea, hypersonic and counter-hypersonic, and electronic warfare domains.³
3. The AUKUS Naval Nuclear Propulsion Cooperation Agreement has been made under Pillar One. Upon entering into force, it will supersede the

1 Foreign, Commonwealth & Development Office, *Agreement among the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Australia, and the Government of the United States of America for Cooperation related to Naval Nuclear Propulsion*, CP 1148 (2 September 2024): <https://www.gov.uk/government/publications/agreement-among-the-united-kingdom-of-great-britain-and-northern-ireland-australia-and-the-united-states-of-america-for-cooperation-related-to-naval> [accessed 17 September 2024]

2 The White House, Press release: *Briefing Room, Statements and Releases* on September 2021: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/> [accessed 15 September 2024]

3 House of Lords Library, 'In Focus: AUKUS Security Partnership', (19 February 2024): <https://lordslibrary.parliament.uk/aukus-security-partnership/> [accessed 15 October 2024]

current Exchange of Naval Nuclear Propulsion Information Agreement (ENNPI) which was concluded in November 2021, entering into force in January 2022.⁴

4. The ENNPI Agreement allowed for the exchange of information to facilitate an 18-month study “to determine the optimal pathway to deliver a conventionally armed, nuclear-powered submarine (SSN) capability to Australia.”⁵ Upon the conclusion of this study “a follow-on agreement would be put in place to support such transfers as needed to then deliver the submarine capability to Australia”.⁶
5. The ENNPI Agreement was laid before Parliament and reported on by the International Agreements Committee in January 2022. The Agreement was reported to the House for special attention on the grounds that it was politically important and gave rise to issues of public policy, including the strategic significance of the AUKUS partnership and Government policy concerning the Indo-Pacific region and China.⁷
6. The Committee noted that whilst Japan welcomed the creation of AUKUS, others saw it as controversial, most notably France and China. It led to Australia cancelling a \$90 billion deal with France to purchase diesel-powered submarines and the Chinese Government described it as “extremely irresponsible”, suggesting that it resulted from a “cold war mentality” and “ideological prejudice”.⁸
7. The Committee regretted the Government’s “failure to provide adequate information about the circumstances in which the Agreement can be amended, and whether such amendments would be the subject of parliamentary scrutiny.”⁹
8. The ENNPI Agreement was debated by the Lords in Grand Committee on 17 January 2022.¹⁰ During the debate, members largely welcomed the announcement of the AUKUS partnership and the ENNPI Agreement. Amongst other issues, members asked about its significance for UK Government foreign policy and the expected impact on international relations, especially with regard to China. They raised concerns about

4 Foreign, Commonwealth & Development Office, *Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Australia, and the Government of the United States of America for the Exchange of Naval Nuclear Propulsion Information*, CP 575 (22 November 2021): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036009/MS_8.2021_Agreement_UK_USA_Australia_Naval_Nuclear_Propulsion.pdf [accessed 17 September 2024]

5 Foreign, Commonwealth & Development Office, *Explanatory memorandum: Agreement among the United Kingdom of Great Britain and Northern Ireland, Australia, and the United States of America for Cooperation related to Naval Nuclear Propulsion* (2 September 2024): <https://www.gov.uk/government/publications/agreement-among-the-united-kingdom-of-great-britain-and-northern-ireland-australia-and-the-united-states-of-america-for-cooperation-related-to-naval> [accessed 20 September 2024]

6 Foreign, Commonwealth & Development Office, *Explanatory memorandum: UK/Australia/USA: Agreement for the Exchange of Naval Nuclear Propulsion Information* (29 November 2021), para 3.3: <https://www.gov.uk/government/publications/ukaustraliausa-agreement-for-the-exchange-of-naval-nuclear-propulsion-information-ms-no82021> [accessed 21 September 2024]

7 International Agreements Committee, *AUKUS Information Exchange Agreement* (14th Report, Session 2021–22, HL Paper 144)

8 *Ibid.*

9 *Ibid.*

10 HL Deb, 17 January 2022, cols 158–186 [Grand Committee]

nuclear proliferation¹¹ and engagement with the International Atomic Energy Agency, and queried whether the 1958 UK-US Agreement for Co-operation on the Uses of Atomic Energy for Mutual Defense Purposes (MDA) needed a formal amendment to ensure the UK was not exceeding its terms.¹² Members also expressed concerns about the lack of ongoing parliamentary scrutiny of any amendments.

9. The then Minister of State for Defence, Baroness Goldie, responded that the ENNPI was a binding international agreement in law, that future agreements would be laid for scrutiny under the requirements of the Constitutional Reform and Governance Act 2010 (CRaG) and given the short, focused nature of this agreement, there were unlikely to be amendments. However, where there were important future amendments to any follow-on agreements, the Government intended them to be submitted for parliamentary scrutiny in accordance with CRaG.
10. The Minister noted that AUKUS would work to protect people and support a peaceful, rules-based international order, and concerns about China should be considered in this context.¹³
11. In commenting on the character of the Agreement the Minister said that it solely “focused on joint capability development and technology sharing. [...] It is about nuclear propulsion, not nuclear weapons and, very specifically, it does not include any obligation to consider an attack upon one as an attack against all participating states.”¹⁴ She also noted that all three partners took their obligations under the nuclear non-proliferation treaty extremely seriously and had been in regular contact with the International Atomic Energy Agency and intended to fully engage with it during the 18-month feasibility study the agreement facilitated. She emphasised that Australia would not seek nuclear weapons, reiterating that the proposed submarines would use a nuclear reactor solely as a power source. The Minister responded in writing to concerns about the 1958 US-UK Agreement for Co-operation on the Uses of Atomic Energy for Mutual Defense Purposes (MDA), noting “The UK and the US have agreed to authorise the disclosure of information to Australia as envisaged by the MDA and as such it does not need amendment.”¹⁵
12. Upon the conclusion of the study facilitated by the ENNPI Agreement, an ‘optimal pathway’ was announced in March 2023.¹⁶ This consisted of a three-phase plan to deliver a conventionally armed, nuclear-powered submarine

11 During the debate, in response to concerns raised about the potential for nuclear proliferation, Lord West of Spithead, a former Admiral of the Royal Navy, informed the Lords that none of submarines “will require refuelling [...] they will be provided straightaway with a core and a reactor that runs through their entire life.”

12 Amending Agreement to the UK-US MDA was laid before Parliament on 26 July 2024. It contains 14 articles and proposes a series of amendments. The Committee reported the agreement to the House for special attention and debate. See: International Agreements Committee, *Amendment to the UK-US Agreement for Cooperation on the Uses of Atomic Energy for Mutual Defence* (2nd Report, Session 2024–25, HL Paper 20).

13 HL Deb, 17 January 2022, [cols 158-186](#) [Grand Committee]

14 HL Deb, 17 January 2022, [cols 158-186](#) [Grand Committee]

15 House of Lords Library, Deposited Paper, [DEP2022-0100](#), Letter from Ministry of Defence to Lord Boyce (1 February 2022).

16 House of Lords Library, ‘In Focus: AUKUS Security Partnership’, (19 February 2024): <https://lordslibrary.parliament.uk/aukus-security-partnership/> [accessed 15 October 2024]

(SSN)¹⁷ capability to Australia. Phase one involved the UK and the US increasing their nuclear-powered submarine deployments to Australia. In phase two the US would sell up to five Virginia Class Submarines to Australia. The third phase would involve a trilaterally developed submarine to be operated by the Royal Navy and the Royal Australian Navy, based on the UK's next generation design and would incorporate technology from all three nations.¹⁸

Progress on delivering Pillar One of AUKUS

13. After announcing the 'optimal pathway' the three nations outlined an approximate timeline for completing the three phases of the pathway. This anticipated increased interaction between Australian military and civilian personnel and the UK and US nuclear submarine programs, with nuclear-powered submarines of both nations making regular visits to Australia throughout the 2020s, culminating with the first Australian built nuclear-powered submarine being delivered in the early 2040s.

Table 1: Timeline for Australia's nuclear-powered submarine pathway

| Target date | Activity |
|----------------------|---|
| commenced in 2023 | Australian military and civilian personnel embedded in US and UK nuclear-powered submarine programs with increased visits by US nuclear-powered submarines to HMAS Stirling in WA |
| from 2023 | Commencement of Australian shipyard design and construction |
| late 2020s | Construction of SSN-AUKUS commences |
| from 2026 | UK-nuclear powered submarine commence regular visits to HMAS Stirling |
| from 2027 to 2032 | Submarine Rotational Force-West will commence and involve 1 Royal Navy and up to 4 US Navy nuclear-powered submarines conducting rotations from HMAS Stirling, aimed at accelerating the development of Australia's sovereign capability to safely operate its own nuclear-powered submarines |
| from the early 2030s | Australia to purchase 3 (with the possibility of acquiring up to 5) Virginia class conventionally-armed, nuclear-powered submarines from the US |
| in the late 2030s | UK to deliver its first UK-built SSN-AUKUS to the Royal Navy |
| in the early 2040s | Australia to deliver its first Australian-built SSN-AUKUS to the Royal Australian Navy (RAN) |

Source: Parliament of Australia, 'Bills Digest No. 32: Australian Naval Nuclear Power Safety Bill 2023 [and] Australian Naval Nuclear Power Safety (Transitional Provisions) Bill 2023' (14 February 2024): https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd2324a/24bd32 [accessed 15 October 2024]

- 17 SSN is the standard abbreviation for 'nuclear-powered submarine'. It stands for Submarine Ship Nuclear.
- 18 Foreign, Commonwealth & Development Office, *Explanatory memorandum: Agreement among the United Kingdom of Great Britain and Northern Ireland, Australia, and the United States of America for Cooperation related to Naval Nuclear Propulsion* (2 September 2024): <https://www.gov.uk/government/publications/agreement-among-the-united-kingdom-of-great-britain-and-northern-ireland-australia-and-the-united-states-of-america-for-cooperation-related-to-naval> [accessed 22 September 2024]

14. In September 2024 the AUKUS nations released a joint statement detailing the progress made since the announcement of the ‘optimal pathway’ in March 2023.¹⁹ The specific progress includes:
- Increased education and training of Royal Australian Navy personnel at specialised US and UK schools; by January 2024 ten officers had graduated with two more planned.²⁰
 - Increased industry training to build and sustain nuclear-powered submarines (SSN); in December 2023 the first tranche of Australian industry personnel commenced work at Pearl Harbour Navy Shipyard in the US and Barrow-in-Furness in the UK.²¹
 - Preparatory activities to build Australia’s capacity ahead of establishing the Submarine Rotational Force-West by 2027.^{22 23} These have included increased US SSN visits to HMAS Stirling in Australia, and the first planned maintenance activity on a US SSN which took place in August 2024.²⁴ The UK has also made commitments to increase SSN port visits beginning in 2026.²⁵
15. There has also been progress on enabling legislation in Australia and the US. In July 2023 the Defence Legislation Amendment (Naval Nuclear Propulsions) Bill 2023 was passed by the Parliament of Australia. This proposes amendments to provisions in other Acts²⁶ “that underlie the current moratorium on civil nuclear power to clarify that the moratorium does not apply to a ‘naval nuclear propulsion plant related to the use of a conventionally-armed, nuclear powered submarine’.”²⁷ In December 2023 the Australian Naval Nuclear Power Safety Bill 2023 and the Australian Naval Power Nuclear Safety (Transitional Provisions) Bill 2023 were introduced. The purpose of the Bills “is to establish a new regulatory framework to promote and regulate the *nuclear safety* of activities relating to *AUKUS submarines*.”²⁸

19 Prime Minister’s Office, Press release: *Joint Leaders statement to mark the third anniversary of AUKUS* on 17 September 2024: <https://www.gov.uk/government/news/joint-leaders-statement-to-mark-the-third-anniversary-of-aukus> [accessed 23 September 2024]

20 US Department of Defense, Press Release: *AUKUS Defense Ministers Meeting Joint Statement* on 1 December 2023: <https://www.defense.gov/News/Releases/Release/Article/3604511/> [accessed 23 September 2024]

21 *Ibid.*

22 Prime Minister’s Office, Press release: *Joint Leaders statement to mark the third anniversary of AUKUS* on 17 September 2024: <https://www.gov.uk/government/news/joint-leaders-statement-to-mark-the-third-anniversary-of-aukus> [accessed 23 September 2024]

23 US Department of Defense, Press Release: *AUKUS Defense Ministers Meeting Joint Statement* on 1 December 2023: <https://www.defense.gov/News/Releases/Release/Article/3604511/> [accessed 23 September 2024]

24 Prime Minister’s Office, Press release: *Joint Leaders statement to mark the third anniversary of AUKUS* on 17 September 2024: <https://www.gov.uk/government/news/joint-leaders-statement-to-mark-the-third-anniversary-of-aukus> [accessed 23 September 2024]

25 US Department of Defense, Press Release: *AUKUS Defense Ministers Meeting Joint Statement* on 1 December 2023: <https://www.defense.gov/News/Releases/Release/Article/3604511/> [accessed 23 September 2024]

26 Australian Government, [The Australian Radiation Protection and Nuclear Safety Act 1998](#) and [Environment Protection and Biodiversity Conservation Act 1999](#)

27 Parliament of Australia, ‘Bills Digest No.: Defence Legislation Amendment (Naval Nuclear Propulsion) Bill 2023’ (10 May 2023): https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd2223a/23bd081 [accessed 25 September 2024]

28 Parliament of Australia, ‘Bills Digest No. 32: Australian Naval Nuclear Power Safety Bill 2023 [and] Australian Naval Nuclear Power Safety (Transitional Provisions) Bill 2023’ (14 February 2024): https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd2324a/24bd32 [accessed 15 October 2024]

The second reading of this bill in the Australian Senate was moved on 16 September 2024.²⁹ In December 2023 the US Congress passed the AUKUS Undersea Defense Act.³⁰ Amongst other measures this includes provisions for the sale of Virginia-class submarines to Australia.³¹

16. In January 2024 the Minister for Defence Procurement, James Cartlidge told the House of Commons that “£4bn-worth of contracts have been awarded to UK companies building SSN-AUKUS [submarines]”. He went on to say that “an additional 1,700 jobs will be created in [Rolls-Royce] Raynesway to build the reactors for the UK and Australia.”³² A further £3 billion has been allocated “to expand production capabilities across [the UK’s] Defence Nuclear Enterprise.”³³ The US has invested USD 17.5 billion in its submarine industrial base and Australia has “committed to invest over AUD 30 billion in its defense industrial base”.³⁴ It has also committed to make proportionate contributions to the UK to support the production of SSN-AUKUS and to the US to accelerate the delivery of Virginia class submarines.³⁵ Moreover, Australia has announced that ASC Pty Ltd and BAE Systems will build SSN-AUKUS with ASC Pty Ltd also selected to sustain Australia’s SSNs.³⁶
17. **We note the significant progress that has been made in the delivery of Pillar One of the AUKUS Partnership.**
18. Though the AUKUS programme has been welcomed by many defence commentators, some have highlighted risks as well as opportunities. For example, Dr Sidharth Kaushal, writing for the Royal United Services Institute, says:

“In the short term, it will be crucial to [...] shield the sale of the Virginia-class to Australia from the risk that it is seen as a diversion of capacity from the US Navy. Demonstrating [...] the value of diversifying basing and, potentially, Australia helping to resolve US maintenance bottlenecks could help accomplish this. In the long term, a joint effort to deliver an SSN based on the British model could allow both the Royal Navy and the Royal Australian Navy to generate much needed capacity. The project will however need to manage design tradeoffs, as well as potential early strains on human capital.”³⁷
19. Similarly, Andrew Dowse, the Director of Rand Australia, highlighted the “enormous uplift in workforce skills and numbers required to build, operate and support nuclear-powered submarines [...] at a time when

29 Parliament of Australia, [Australian Naval Nuclear Power Safety Bill 2024](#) [accessed 27 September 2024]

30 US Congress, [AUKUS Undersea Defense Act](#), H.R.3939

31 House of Lords Library, ‘In Focus: AUKUS Security Partnership’, (19 February 2024): <https://lordslibrary.parliament.uk/aukus-security-partnership/> [accessed 15 October 2024]

32 HC Deb, 8 January 2024 [col 13](#) [Commons Chamber]

33 Prime Minister’s Office, Press release: *Joint Leaders statement to mark the third anniversary of AUKUS* on 17 September 2024: <https://www.gov.uk/government/news/joint-leaders-statement-to-mark-the-third-anniversary-of-aukus> [accessed 23 September 2024]

34 *Ibid.*

35 *Ibid.*

36 *Ibid.*

37 Royal United Services Institute, ‘SSN-AUKUS: Opportunities, Risks and Implications’ (15 March 2023): <https://www.rusi.org/explore-our-research/publications/commentary/ssn-aukus-opportunities-risks-and-implications> [accessed 26 September 2024]

Australia is facing low rates of unemployment”.³⁸ He also noted Australian public perception challenges in relation to cost, nuclear proliferation and implications for the sovereignty of an Australian submarine fleet using US submarines and the dependence “of a submarine pathway on a future US administration.”³⁹

Purpose of the AUKUS Naval Nuclear Propulsion Cooperation Agreement

20. The Agreement establishes the legal framework governing the exchange and use of Naval Nuclear Propulsion Information, material, and equipment between the Parties. It sets out the terms for the communication or exchange of information and for the transfer of propulsion plants, related equipment, and material.⁴⁰
21. The AUKUS Naval Nuclear Propulsion Cooperation Agreement will facilitate the development of SSN-AUKUS which forms Phase Three of the optimal pathway announced in March 2023. This is intended to be a trilaterally developed submarine operated by the Royal Navy and the Royal Australian Navy and is “based on the UK’s next generation design that incorporates technology from all three nations.”⁴¹ The Agreement supersedes the 2021 ENNPI Agreement. It will continue to allow the UK and US to share information relating to conventionally armed, nuclear-powered submarines (as under ENNPI), as well as allowing the transfer of material and equipment relating to these submarines to Australia which will allow UK industry to support Australia in building SSN-AUKUS. Under US domestic law such sharing is restricted and can only be disclosed to foreign nations if an international agreement is in place.⁴²
22. In oral evidence, Commodore Paul Carter, Deputy Director of the AUKUS Programme at the Ministry of Defence, told us about the significance of the UK-US Agreement for Co-operation on the Uses of Atomic Energy for Mutual Defense Purposes (MDA) for the AUKUS Naval Nuclear Propulsion Cooperation Agreement (AUKUS NNPCA). He said that though both were completely separate agreements, without the MDA, which allows for the bilateral exchange of nuclear technology between the UK and the US, the AUKUS NNPCA would not be possible:

“Without the MDA and the bilateral exchange, we could not be doing AUKUS pillar 1. We need the US technology. The future SSN that is going to be built in two countries, with probably a single supply chain, more or less, has trilateral technology. US technology is being inserted into our design to support AUKUS and make it a much more ambitious and lethal capability. That is the value. Without the MDA, we would not have the ENNPIA or AUKUS pillar 1.”⁴³

38 Georgetown University, Journal of International Affairs, ‘Opportunities and Challenges of AUKUS’ (7 February 2024): <https://gjia.georgetown.edu/2024/02/07/opportunities-and-challenges-of-aukus/> [accessed 26 September 2024]

39 *Ibid*

40 Article III, IV

41 Foreign, Commonwealth & Development Office, *Explanatory memorandum: Agreement among the United Kingdom of Great Britain and Northern Ireland, Australia, and the United States of America for Cooperation related to Naval Nuclear Propulsion* (2 September 2024): <https://www.gov.uk/government/publications/agreement-among-the-united-kingdom-of-great-britain-and-northern-ireland-australia-and-the-united-states-of-america-for-cooperation-related-to-naval> [accessed 20 September 2024]

42 *Ibid*.

43 Oral evidence taken before the International Agreements Committee on 8 October 2024 (Session 2024–25) [Q 21](#) (Commodore Paul Carter)

23. During the debate on the previous ENNPI Agreement, members raised concerns about nuclear proliferation. The Explanatory Memorandum states that the AUKUS Naval Nuclear Propulsion Cooperation Agreement is fully consistent with the obligations of the Parties under the Treaty on the Non-Proliferation of Nuclear Weapons.⁴⁴ The Agreement details the safeguards⁴⁵ required in the transfer of Special Nuclear Material to Australia since it is a non-nuclear weapons state under the terms of the 1968 Nuclear Non-Proliferation Treaty.⁴⁶ This includes a statement that any transfer of Special Nuclear Material is only to be done in “complete, welded Power Units”.⁴⁷ In oral evidence, Commodore Paul Carter, elaborated on this. He told us:
- “ ... we will transfer a fully built power module. Therefore, there will be no access to the fuel inside ... The Australians should have no requirement to access that technology, but they do have to safely dispose of it once they have used it. That is part of the requirement, and that is the same for the US transfer as well ... They will have reach-back capabilities to both the US and to us to support them in that capacity.”⁴⁸
24. Article VII sets out the terms required to conclude and apply an agreement between Australia and the International Atomic Energy Agency (IAEA), ahead of any transfer of Special Nuclear Material or Equipment; referred to in the text as the ‘Article 14 Arrangement’. Australia has entered into negotiations with the IAEA on this arrangement under Article 14 of Australia’s Comprehensive Safeguards Agreement as part of the non-proliferation approach of the SSN-AUKUS programme. Under this a non-nuclear-weapon State and the IAEA may make an arrangement to govern the use of nuclear material in a non-proscribed military activity, such as naval nuclear propulsion.⁴⁹ Joe Pitt-Rashid, Director of Strategy and Policy for the Defence Nuclear Organisation at the Ministry of Defence, told us that the Director General of the IAEA DG Grossi “is engaged on this topic. Australia will need to confirm a bilateral agreement with the IAEA, and the UK and the US are supporting it in that.”⁵⁰
25. The AUKUS Naval Nuclear Propulsion Cooperation Agreement sets out a number of guarantees dealing with the protection, dissemination and security of information, material or equipment exchanged.⁵¹ Article XI sets out the terms for the protection of intellectual property.

44 Foreign, Commonwealth & Development Office, *Explanatory memorandum: Agreement among the United Kingdom of Great Britain and Northern Ireland, Australia, and the United States of America for Cooperation related to Naval Nuclear Propulsion* (2 September 2024): <https://www.gov.uk/government/publications/agreement-among-the-united-kingdom-of-great-britain-and-northern-ireland-australia-and-the-united-states-of-america-for-cooperation-related-to-naval> [accessed 20 September 2024]

45 Article VI, VII and Annex B

46 Foreign, Commonwealth & Development Office, *Agreement among the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Australia, and the Government of the United States of America for Cooperation related to Naval Nuclear Propulsion*, CP 1148 (2 September 2024): <https://www.gov.uk/government/publications/agreement-among-the-united-kingdom-of-great-britain-and-northern-ireland-australia-and-the-united-states-of-america-for-cooperation-related-to-naval> [accessed 28 September 2024]

47 Article VI.B, Annex B

48 Oral evidence taken before the International Agreements Committee on 8 October 2024 (Session 2024–25) [Q 22](#) (Commodore Paul Carter)

49 Australian Submarine Agency, *AUKUS and Non-Proliferation*: <https://www.asa.gov.au/sites/default/files/documents/2024-10/NonProliferation-Factsheet.pdf> [accessed 28 September 2024]

50 Oral evidence taken before the International Agreements Committee on 8 October 2024 (Session 2024–25) [Q 22](#) (Joe Pitt-Rashid)

51 Article VIII, IX, Annex A

26. The Final Provisions include that the AUKUS Naval Nuclear Propulsion Cooperation Agreement will enter into force on the date of the last exchange of diplomatic notes confirming that all domestic requirements have been completed and will remain in force until 31 December 2075.⁵²
27. The Explanatory Memorandum states that the Agreement allows for amendments, which need to be made in writing between the parties. An amendment will come into force after the last note in an exchange of diplomatic notes advising that all domestic requirements for entry into force have been completed. Any amendments will be laid before Parliament under the Constitutional Reform and Governance Act 2010.
28. **We report the Agreement for special attention on the grounds that it is politically important and gives rise to issues of public policy that the House may wish to debate prior to ratification, together with our comment in paragraph 8.**

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Anderson of Swansea
Lord Boateng
Lord Etherton
Lord Fox
Lord German
Lord Goldsmith (Chair)
Lord Grimstone of Boscobel
Lord Hannay of Chiswick
Lord Howell of Guildford
Baroness Kingsmill
Lord Marland
Lord Udny-Lister

Declarations of Interest

Lord Anderson of Swansea
No relevant interests

Lord Boateng
*Independent non-executive director, at the Ghana International Bank
Board member, Syngenta Foundation*

Lord Etherton
No relevant interests

Lord Fox
No relevant interests

Lord German
No relevant interests

Lord Goldsmith KC
Partner, Debevoise & Plimpton LLP (International law firm)

Lord Grimstone of Boscobel
No relevant interests

Lord Hannay of Chiswick
*Member, advisory board of the Centre for European Reform,
Member, European Leadership Network
Chair, European & International Analysts Group*

Lord Howell of Guildford
No relevant interests

Baroness Kingsmill
No relevant interests

Lord Marland
Director, Janspeed Technologies Ltd (manufacturer of motor parts)

Lord Udny-Lister
Advisor to the Group Chairman of HSBC