

# Six-Country Concept for a Multilateral Mechanism for Reliable Access to Nuclear Fuel

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on behalf of France, Germany, Russia, the Netherlands,  
the United Kingdom, and the United States

AS WE HAVE HEARD this morning, nuclear energy will play an essential role in meeting growing energy demand and supporting sustainable development. We share the goal of meeting this increasing demand for nuclear energy and nuclear technology while preventing proliferation of nuclear weapons.

As we also heard this morning, fuel supply assurances have been discussed for decades as an incentive to enable countries to enjoy the benefits of nuclear energy without indigenous sensitive fuel cycle facilities. With the prospect of the development of nuclear energy programs in a number of countries in the coming years, we have a collective responsibility to address nonproliferation in an appropriate manner, without questioning the rights and obligations that are an important part of the Nuclear Non-Proliferation Treaty (NPT) and the nuclear non-proliferation regime.

An impressive amount of study has been devoted to this subject. More than thirty years ago, the International Nuclear Fuel Cycle Evaluation project advocated a safety net and an

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international fuel bank. Two key suggestions of the 2005 report of the Director General's Expert Group on Multilateral Approaches to the Nuclear Fuel Cycle are a virtual fuel bank and a physical fuel bank—the same ideas, expressed today in the language of the Internet.

Despite a considerable amount of work and development of creative ideas over an extended period of time, there is nothing now in place for the international community to provide help for a country starting out in nuclear power should it encounter a problem with nuclear fuel supply.

The Director General has called the dissemination of sensitive fuel cycle technology the Achilles' heel of the nonproliferation regime and has identified reliable access to fuel as a way to remove the incentive for indigenous fuel cycle capabilities.

Our intent is to provide an incentive for countries to voluntarily choose not to pursue enrichment and reprocessing.

We agree with the report of the Expert Group that the commercial market is healthy and is a reliable and economical source of nuclear fuel. The goal is to create an additional incentive to rely on the commercial market and not pursue enrichment and reprocessing capabilities by establishing a mechanism to resolve any supply problems that may arise in the future so there is no need to hedge by investing in indigenous facilities. Reactor operators would have new options for arranging a secure supply of nuclear fuel.

Our concept has multiple components. Any single measure would not be sufficient, but the combination can provide assurance that a fuel disruption would be appropriately addressed.

The six states involved in supply of enrichment services and enriched uranium have been working together to make the transition from years of study to taking the first concrete

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steps to establish such a mechanism. To achieve real results, we propose to proceed step-by-step.

The first step would be to put in place a mechanism that would be useful, even if it would not solve all problems. Subsequent steps would gradually become more comprehensive. To simplify the problem, we propose to deal initially with supply of enriched uranium, with the intention of addressing other more difficult elements, like spent fuel management, in subsequent steps.

Our concept involves several tiers:

- The first tier is the commercial market, which is currently functioning reliably and efficiently. Our approach is designed so as not to disrupt the existing market. Assurances would be a backup mechanism.
- The next tier would be the establishment of a fuel supply assurance mechanism at the International Atomic Energy Agency (IAEA). If commercial supply arrangements are interrupted for reasons other than questions about nonproliferation obligations and cannot be restored through normal commercial processes, a country could approach the IAEA and seek help through the mechanism.

In other words, if the supply problem is a consequence of questions about compliance with NPT obligations, the mechanism could not be used. If the problem can be resolved commercially, the mechanism could also not be used.

Under this mechanism, the IAEA would assess whether the country in question has comprehensive safeguards and an additional protocol in place, any safeguards implementation issues outstanding, and appropriate safety and physical protection standards and whether it has chosen to obtain fuel on the international market and not to pursue sensitive fuel cycle ac-

tivities. If these conditions are met, the IAEA could seek to facilitate new arrangements with new suppliers, with the cooperation of supplier states and companies.

The concept includes commitments by supplier states. These commitments are necessarily qualified by each state's laws and regulations. We and other suppliers cannot make unqualified commitments concerning what we will and won't do many years in the future. Supplier states can and would commit, in principle, to endeavor to allow exports of enriched uranium in implementation of the mechanism and to avoid opposing exports by others.

Another tier would involve mutual backup arrangements by commercial companies, to substitute for each other in the event of problems. These arrangements would be entered into by the commercial suppliers and purchasers themselves; we would welcome and facilitate them.

A final tier, envisioned as a last resort, would be the establishment of reserves of enriched uranium. Secretary Bodman announced at the General Conference last year that the United States will convert up to seventeen tons of highly enriched uranium excess to our national security needs into low enriched uranium to create a reserve to back up fuel supply assurances.

We see benefits in diversity and encourage others to create such reserves. We think a reserve administered by the IAEA would have important advantages, and in this regard, we welcome and support the initiative put forward by Senator Sam Nunn this morning to establish such a reserve.

The fuel supply mechanism could be developed and strengthened over time, proceeding in a step-by-step manner rather than waiting for a solution for all problems for all time. We recognize the logic of extending the benefits of the mechanism to back-end issues, which would be more complex and difficult, in a future step.

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President Putin of Russia has proposed to establish an international center that would focus initially on the provision of uranium enrichment services, based on one of its existing enrichment plants. We welcome and support this proposal. The Russian approach and our concept would complement each other and be mutually supportive.

The concept put forward by the six was discussed at the June 2006 Board meeting. Although there was support, concerns were also expressed. Some argued against it on the grounds that rights to nuclear technology should not be restricted.

The mechanism would be implemented on a voluntary basis. There is no intent to take away any rights of any states. There is no suggestion that states should give up rights under Article IV of the NPT.

Countries starting out in nuclear energy have choices. They can choose to have only reactors or to have fuel cycle facilities as well. Both choices are available under the NPT. We are seeking to provide an incentive to choose to have nuclear energy but not to have sensitive fuel cycle technologies. We are not asking for any commitment in advance.

If a supply problem should arise in the future, use of the mechanism would be voluntary. The mechanism would be available to any state meeting established criteria and which has voluntarily chosen to obtain fuel on the commercial market and not pursue indigenous sensitive fuel cycle facilities. The intent is to enable states to reliably enjoy the benefits of nuclear energy without the costs of fuel cycle facilities while discouraging the spread of sensitive technologies.

The countries we see benefiting from this mechanism would be developed and developing countries, looking to nuclear energy to support clean development, enabling them to move forward relying on the commercial market backed up by

a multilateral mechanism they could turn to in the event of a supply problem.

We welcome this Special Event and thank the IAEA for calling it to focus international attention and energy on this important issue. We are hopeful that as a result of this Special Event, the international community will return to this issue with renewed energy to put in place soon a fuel supply assurance mechanism that has been the subject of much study and discussion.

We stand ready to work further with the Secretariat and with other member states to develop this concept together with other compatible ideas that were put forward this morning, particularly the legal and technical and economic aspects, as part of the way forward following this Special Event.