

# Brexit's nuclear option

Blog post by Adviser Matthew Duhan, 03 February 2017

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Yesterday's government White Paper on Brexit confirmed that the UK will leave the European nuclear research and cooperation framework Euratom. Having concluded that Euratom is "uniquely legally joined" with the EU, the government argues that Brexit will require the UK to leave Euratom when it leaves the EU. While Euratom has its own treaty status, it is the central role of EU institutions - specifically the European Commission and European Court of Justice - in Euratom which appear to have determined the government's position. The timing is unfortunate for a UK nuclear industry which has been progressing - albeit slowly - towards new build projects at Hinkley Point C, Wylfa and Moorside, but will now be caught in a wave of new uncertainty.

Why is this? Leaving Euratom will remove the UK from the regulatory framework which currently governs international cooperation in both its civil, and parts of its military, nuclear programmes. It will make the movement of nuclear materials, equipment and technicians between the UK and third countries more difficult, as well as throwing the future of research institutions such as the Joint European Torus project at Harwell in Oxfordshire into doubt. The decision will also pose a major challenge for Urenco, the UK's uranium enrichment company, with the privatisation of the government's 30% stake now looking less likely than at any time since discussions began in 2013.

With Article 50 now on course to be triggered at the EU's informal council on 9th March, the clock will soon be ticking to avoid a regulatory cliff edge when the UK leaves the EU; probably in March 2019. The UK government and regulator, the Office of Nuclear Responsibility (ONR) now face the daunting task of replacing up to 20 bilateral nuclear agreements which rely on the UK's membership of Euratom as a core plank of their safety regimes. These include agreements with key suppliers like the US and France, as well as the International Atomic Energy Agency (IAEA) which oversees international civil nuclear programmes. Domestically, the ONR will require a capacity upgrade to take over a number of regulatory operations, such as the inspection of civil nuclear sites. And while the focus has been on the implications for the energy sector, 'Brexitom' also raises questions about the UK's handling and decommissioning of military nuclear materials, both from its own programme and those of other countries.

Members of both houses of the UK parliament - particularly MPs with current and prospective nuclear plants in their constituencies - are mobilising to attempt to reverse the government decision to leave Euratom. They face a difficult task. The UK government has suggested that the decision is a legal necessity - a position echoing the EU's own lawyers - although this has been contested in the media by some UK energy lawyers. So what comes next? The Brexit White Paper states that the UK's "precise relationship with Euratom, and the means by which we cooperate on nuclear matters, will be a matter for the negotiations". Some legal opinion suggests this could be done through the existing Euratom treaty or a new agreement, and enough political will could provide room for manoeuvre. For the nuclear industry, however, an expensive uncertainty looks set to continue for now. This will not be the last area where the incentives for close EU-UK cooperation are clearer than the means.