

determined to continue to support the development of international safeguards and other non-proliferation measures relevant to reprocessing and plutonium, including an effective and generally accepted international plutonium storage scheme; recognize the role of reprocessing in connection with, the maximum use of available resources and the management of materials contained in spent fuel or other peaceful non-explosive uses, including research, in particular in the context of significant nuclear energy programmes; and desire the predictable and practical implementation of paragraph (e) of the Exchange of Letters taking into account both their determination to ensure the furtherance of the objective of non-proliferation and the long-term needs of the nuclear energy programmes of the parties.

5. I have the honour to inform the Commission that pursuant to the above, in accordance with paragraph (e) of the Exchange of Letters, the Government of Canada agrees that material subject to the Agreement may be reprocessed and plutonium stored within the framework of the current and planned nuclear energy programmes as described and up-dated from time to time by the Community and its Member States.

6. I have the honour to inform the Commission that the agreement given by the Government of Canada in paragraph 5 will remain in force as long as the following conditions are met:

- (i) that the Community maintain its commitment to non-proliferation with respect to guideline (A) which is set out in paragraph (c) of the Exchange of Letters, and
- (ii) that the Community continue to consult with the Government of Canada, as provided for by the Agreement, with a view to up-dating the described nuclear energy programmes and informing the Government of Canada of any significant changes.

7. Paragraph (e) of the Exchange of Letters provides that material subject to the Agreement shall be enriched beyond 20% and that uranium enriched beyond 20% shall be stored only according to conditions agreed upon in writing between the parties. I have the honour to propose that the parties agree to consult within 40 days of the receipt of a request from either party to consider proposals for conditions to be agreed upon in writing according to which material subject to the Agreement may be enriched beyond 20% or uranium enriched beyond 20% may be stored.

8. I have the honour to confirm that the documents containing the descriptions of current and planned nuclear energy programmes of the Community and its Member States shall remain confidential to the Contracting Parties.

9. If the foregoing is acceptable to the European Atomic Energy Community, I have the honour to propose that this letter, which is authentic in both English and French, together with Your Excellency's reply to that effect shall constitute the agreement required by paragraph (e) of the Exchange of Letters, and replace both Annex C thereto and the 23 December 1980 Exchange of Letters. This agreement shall take effect as of the date of Your Excellency's reply to this letter.