

**AGREEMENT IN THE FORM OF EXCHANGE OF LETTERS BETWEEN
THE GOVERNMENT OF CANADA AND THE EUROPEAN ATOMIC
ENERGY COMMUNITY GIVING EFFECT TO THE REQUIREMENT, AS
SET OUT IN PARAGRAPH 5 OF THE EXCHANGE OF LETTERS
INITIALED ON NOVEMBER 20, 1984**

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*The Head of Delegation of the Commission of the European Communities
To the Director General of the Energy, Resources and Environmental
Bureau of the Department of External Affairs*

Ottawa, June 20, 1985

Dear Mr. Heeney:

I have the honour to refer to the 1959 "Agreement between the Government of Canada and Euratom For Co-operation In The Civil Uses of Atomic Energy", as amended, and to paragraph 5 of the text of the Exchange of Letters initialled ad referendum in Brussels on November 20, 1984 which provides that the Contracting Parties may wish, in particular circumstances, to apply mechanisms other than those set forth in the Agreement in order: (a) to make material subject to the Agreement; or (b) to remove material from coverage of the Agreement. The Exchange of Letters also provides that there shall be prior written agreement between the contracting parties in each case on the conditions under which such mechanisms are to be applied.

Euratom authorities have, in light of the foregoing, given careful study to the proposal of British Nuclear Fuels p.l.c. (BNFL) and Eldorado Nuclear Limited (ENL) that there be a transfer of non-proliferation and safeguards obligations on a total quantity of up to 3,846,500 kilograms in the form of UF₆, during the period 1985-1992, in order to avoid a series of trans-Atlantic shipments in both directions. Under existing contractual arrangements, ENL is due to deliver to the Central Electricity Generating Board at BNFL installations, certain quantities of uranium and BNFL is due to deliver, on behalf of its customers, equivalent quantities of uranium to the United States Department of Energy.

I have the honour to inform you that pursuant to these contractual arrangements Euratom hereby gives its approval for the proposal that up to 3,846,500 kilograms of uranium in the form of natural UF₆, which is in Euratom jurisdiction and which is not subject to non-proliferation and safeguards commitments to a third state, be made subject to the Canada-Euratom Agreement of 1959, as amended, on condition that an equivalent quantity of uranium in identical form, similarly unencumbered