

ANNEX "C"

Interim Arrangement concerning enrichment, reprocessing and subsequent storage of nuclear material within the Community and Canada

- (1) Both parties recognize that while increasing reliance is placed on nuclear energy for peaceful purposes to satisfy world energy requirements, its use requires that every precaution should be taken with respect to the generation and dissemination of material that can be used for nuclear weapons. The parties agree to cooperate both bilaterally and internationally to identify arrangements which will advance this objective.

Both parties agree that their objective is to meet their energy needs while avoiding the danger of the spread of such material and respecting the choices and decisions of each party in the peaceful nuclear field.

The parties note with satisfaction that the organizing Conference on International Fuel Cycle Evaluation (INFCE), in which Canada, the Commission of the European Communities and Member States of Euratom took part, agreed to carry out a study which is expected to extend over the next two years. INFCE will explore the best means of advancing the objectives of making nuclear energy for peaceful purposes widely available to meet the world's energy requirements while at the same time minimizing the danger of the proliferation of nuclear weapons.

The participants in the study are pledged to cooperate constructively in the study which will examine all aspects of the nuclear cycle.

Among the matters to be examined by working groups of INFCE are reprocessing and enrichment and storage of plutonium and uranium enriched beyond 20%.

Against this background, the parties agree on the following interim arrangement which shall apply to reprocessing and to enrichment beyond 20% U-235; and the storage of plutonium and uranium enriched beyond 20%.

- (2) With respect to material which has been transferred between December 20, 1974 and the end of the interim period, Euratom will notify the Government of Canada in advance of its intention to undertake any such reprocessing, enrichment or storage. This notification will include the quantities of material to be enriched, reprocessed or stored, the facility in which such operations will take place, and the intended disposition and use of the special fissionable material. The purpose of such advance notification is to permit joint consultation to take place between the parties concerning the adequacy of safeguards for the operation contemplated and avoidance of the risks of nuclear proliferation. Consultations shall enable each party to appreciate to the fullest extent possible the nature and purposes of the operation involved.