

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

NUCLEAR SAFEGUARDS BILL

First Sitting

Tuesday 31 October 2017

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) motion agreed to.
Motion to sit in private agreed to.
Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 4 November 2017

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The Committee consisted of the following Members:

Chairs: † JAMES GRAY, STEVE McCABE

† Blomfield, Paul (<i>Sheffield Central</i>) (Lab)	† Lewer, Andrew (<i>Northampton South</i>) (Con)
† Bradley, Ben (<i>Mansfield</i>) (Con)	† Maclean, Rachel (<i>Redditch</i>) (Con)
† Carden, Dan (<i>Liverpool, Walton</i>) (Lab)	† Norris, Alex (<i>Nottingham North</i>) (Lab/Co-op)
† Debbonaire, Thangam (<i>Bristol West</i>) (Lab)	† Robinson, Mary (<i>Cheadle</i>) (Con)
Gibson, Patricia (<i>North Ayrshire and Arran</i>) (SNP)	† Smith, Eleanor (<i>Wolverhampton South West</i>) (Lab)
† Gill, Preet Kaur (<i>Birmingham, Edgbaston</i>) (Lab/Co-op)	† Sunak, Rishi (<i>Richmond (Yorks)</i>) (Con)
† Harrington, Richard (<i>Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy</i>)	† Syms, Sir Robert (<i>Poole</i>) (Con)
† Harris, Rebecca (<i>Castle Point</i>) (Con)	† Whitehead, Dr Alan (<i>Southampton, Test</i>) (Lab)
† Harrison, Trudy (<i>Copeland</i>) (Con)	† Wragg, Mr William (<i>Hazel Grove</i>) (Con)
Hendry, Drew (<i>Inverness, Nairn, Badenoch and Strathspey</i>) (SNP)	
	Kenneth Fox, Rob Cope, <i>Committee Clerks</i>
	† attended the Committee

Witnesses

Dr Mina Golshan, Deputy Chief Inspector and Director Sellafield, Decommissioning, Fuel and Waste Programme, **Office for Nuclear Regulation (ONR)**

Tom Greatrex, CEO, **Nuclear Industry Association**

Rupert Cowan, Senior Commercial and Nuclear Energy Lawyer, **Prospect Law**

Jonathan Leech, Senior Commercial and Nuclear Energy Lawyer, **Prospect Law**

Public Bill Committee

Tuesday 31 October 2017

(Morning)

[JAMES GRAY *in the Chair*]

Nuclear Safeguards Bill

9.25 am

The Chair: Before we begin, I have a few little parish notices. First, for all the activities that we indulge in when considering the Bill, both here and in the Committee Room, the orders of procedure are precisely the same as in the main Chamber—for example, no eating and drinking; preferably jackets on, unless it is extremely warm, in which case Members may consider taking them off; ties, of course, are now optional, but I always wear mine; and I tend to be a little on the conservative side and maintain standards.

We will talk through the procedure later. This stage, for those who have not done it before, is rather like a Select Committee. You are bringing witnesses in front of you to inquire of them their expert knowledge about what is in the Bill. It is different from a Select Committee in the sense that you are not quizzing them, holding them to account or giving them a tough time; you are seeking to extract the maximum benefit from their evidence. This is not party political; it is like a consensual Select Committee.

The Bill is very narrowly drafted. It is about a particular subject, not the entire spectrum of what Euratom does or stands for. We will be reasonably strict about trying to keep people within the terms of the Bill, so that they do not ramble widely. We now have a couple of formalities to deal with.

Ordered,

That—

(1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 31 October) meet—

- (a) at 2.00 pm on Tuesday 31 October;
- (b) at 11.30 am and 2.00 pm on Thursday 2 November;
- (c) at 9.25 am and 2.00 pm on Tuesday 7 November;
- (d) at 9.25 am and 2.00 pm on Tuesday 14 November;
- (e) at 11.30 am and 2.00 pm on Thursday 16 November;

(2) the Committee shall hear oral evidence on Tuesday 31 October in accordance with the following Table:

TABLE

<i>Time</i>	<i>Witness</i>
Until no later than 10.00 am	Office for Nuclear Regulation
Until no later than 11.25 am	Nuclear Industry Association; Prospect Law
Until no later than 2.30 pm	EDF Energy
Until no later than 3.00 pm	Prospect; Unite
Until no later than 3.30 pm	Professor Juan Matthews, Visiting Professor, Dalton Nuclear Institute

(3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clause 1; the Schedule; Clauses 2 to 5; new Clauses; new Schedules; remaining proceedings on the Bill;

(4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 16 November.—(*Richard Harrington.*)

Ordered,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*Richard Harrington.*)

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room, and all the papers are on the table behind you.

Ordered,

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*Richard Harrington.*)

The Chair: We will now discuss the general line of questioning during this sitting. Let us try to do that reasonably briefly, because we do not have much time. As soon as we have agreed what questions we want to ask, we will have the witnesses and the public in to start the sitting.

9.27 am

The Committee deliberated in private.

9.29 am

On resuming—

The Chair: If Members of the Committee have interests to declare, they should please do so now.

Dan Carden (Liverpool, Walton) (Lab): I am a member of Unite the union.

Trudy Harrison (Copeland) (Con): My husband, father and brother work at Sellafield, as well as many other family members.

Paul Blomfield (Sheffield Central) (Lab): I am a member of Unite.

Examination of Witness

Dr Mina Golshan gave evidence.

9.30 am

Q1 The Chair: I welcome our first witness, Dr Mina Golshan, who represents the Office for Nuclear Regulation. Dr Golshan, thank you very much for coming. Perhaps you can kick off our considerations with a brief statement about who you are, what you do and what you think about the Bill.

Dr Golshan: Thank you for that introduction. I am director and deputy chief inspector at the Office for Nuclear Regulation. My main responsibilities are Sellafield, decommissioning fuel and waste, but I am also senior responsible owner for ONR's work in relation to establishing a state system of nuclear materials accounting and control.

Q2 The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): Dr Golshan, thank you for appearing today. I know that

you are a regular at these things. From your point of view, how critical are safeguards in underpinning the UK nuclear industry?

Dr Golshan: Establishing a domestic safeguards regime, now that the policy decision has been made that the UK will be leaving the Euratom treaty, is fundamental to the industry in the UK. It is the cornerstone of establishing nuclear co-operation agreements. It is essential for the industry to operate. Without a domestic safeguards regime in the UK that works in line with the International Atomic Energy Agency requirements, the industry simply will not be able to operate.

Q3 Paul Blomfield: I want to ask you about the Office for Nuclear Regulation's capacity to take on the additional responsibilities implicit in the Bill, given your current staffing levels and the large number of people employed by Euratom to fulfil these roles.

Dr Golshan: Perhaps I should start by saying that, given our membership of Euratom, it has not been necessary for the UK and ONR to build capacity and resilience in this area. Now that we are in a different position, we have started to recruit. The first phase of recruitment is complete. We successfully recruited four individuals, three of whom have already started with us. An area of shortage for us was subject matter expertise. That was a worry for me, but I am pleased to say that we will hopefully be in a position to rectify that by the middle of this month.

Broadly, we need to continue with our recruitment if we are to staff ourselves in order to deliver the new safeguards function. In the first instance we need an additional 10 to 12 inspectors, which will bring us to a level that allows the UK to fulfil its international obligations, but we have already heard from the Secretary of State that the intention is to put in place a regime that is equivalent to Euratom. That will require ONR to recruit further and will mean around 20 additional inspectors. We know that we are dealing with a limited pool of expertise, and our success so far, although encouraging, is by no means the end of the story.

The Chair: Dr Golshan, can I ask you to speak up slightly, because this is a very large room and we are having trouble hearing you. I am getting older—you know how it is.

Q4 Trudy Harrison: Thank you for coming here this morning, Dr Golshan. I understand that the ONR currently has the responsibility for safety and security at the Civil Nuclear Constabulary. I am keen to understand how the relationship would work with safeguards.

Dr Golshan: May I start by saying that we do not have the responsibility for CNC; we regulate civil nuclear security. We currently have a safeguards function, as set out in the Energy Act 2013, but it is not a regulatory function. The main purpose of that function is to facilitate the work of the International Atomic Energy Agency and Euratom in the UK, among other things. The Bill will give us the powers, on a par with safety and security, to regulate nuclear safeguards on civil nuclear sites.

Q5 Alex Norris (Nottingham North) (Lab/Co-op): Dr Golshan, you have mentioned the sort of headcount you will need for inspectors. What is your current total establishment, and by how much do you think you will need to grow?

Dr Golshan: We have a small project team that helps us deliver this function. I have a project manager and a project lead, and we have interactions with our human resources department and our IT department, which in itself is a small group. We need to grow this project team in the first instance to enable the project to deliver and go forward. All in all, we have five key people in the project team—project manager, delivery lead, policy lead, myself and a subject matter expert—and the team overall has links with the HR department and so on, as I described. We will need to grow this project team to help us deliver when we come to 29 March 2019, and we are in the process of doing so.

Q6 Ben Bradley (Mansfield) (Con): Can you tell us a bit about the ONR's track record of delivering new regulation previously? Do you feel that you have the right relationships within the industry to deliver this new programme?

Dr Golshan: It is fair to say that this is unprecedented territory for us as far as the size of the job is concerned. In the past we have not had to establish a new function from afresh to this extent, but we have got experience of setting out and working with officials from the Department for Business, Energy and Industrial Strategy—and previously the Department for Energy and Climate Change—to bring forward new regulation.

We are working closely with officials at the Department for Business, Energy and Industrial Strategy and we have engaged with the industry—I have had a number of meetings with the industry. We are explaining what we are doing, how far we have gone down this route and what there is left to do. We are working with all our stakeholders to make a success of this.

Q7 Paul Blomfield: May I follow up on your earlier answer, Dr Golshan? You have been clear and helpful. From what I understood, you said that you were recruiting an additional 10 to 12 inspectors now, with the potential of a further 20. Is that the whole size of the establishment you might be looking for? I might be wrong, but I understand that Euratom employs about 40 people on nuclear safeguarding in relation to UK establishments.

Dr Golshan: Let me break it into two bits. Our intention is to start recruiting in the new year for the additional 10 to 12 people we will require. The reason is that we were waiting for the Second Reading of the Bill to give us some certainty in relation to the people we are going to take on permanently. That process will start. In relation to your next question, on Euratom's numbers, for its own purposes, Euratom carries out activities in the UK that, as a state delivering an equivalent regime, we would not need to deliver. The order of 20 to 25 is not far from what we need to staff ourselves to deliver this function.

Q8 Paul Blomfield: This is a sector with which most of us are—with some exceptions—relatively unfamiliar.

The Chair: Mr Blomfield, could you speak up? Not all of us can hear you.

Paul Blomfield: Can you give us a little more understanding of the talent pool from which you are drawing, the recruitment opportunities and the training needs there might be to fulfil the skills needs you anticipate?

Dr Golshan: As I mentioned at the beginning, although these do not seem like large numbers, we are dealing with a limited talent pool here: the expertise is unique. As I said, the UK as a whole has not had to focus on developing resilience in this area, so we are limited in what and who we can recruit.

The next step, if we are getting the right expertise in these people, is to turn them into regulators and inspectors. That means that our training function—training materials and expertise in training these individuals—needs to develop. We have started that process, but it is a long road and I am not going to sit here and pretend that it is all going to be a smooth run.

Q9 Paul Blomfield: Could you give us a sense of the length of that road? How long will it take you to get from A to B?

Dr Golshan: Our aim, currently, is to have a system in place that enables the UK to fulfil its international obligations by March 2019, which is when we intend to leave Euratom. I have been very clear in the past—I will repeat it here—that we will not be able to replicate Euratom standards on day one. That is unrealistic, and given the scale of what needs to be put in place, I fear that if we go that way, the best will become the enemy of the good. So it is important that we focus our efforts on delivering a regime that enables the UK to meet its international obligations.

Q10 Mary Robinson (Cheadle) (Con): Now that the Bill has been introduced, what in your view is the main priority in developing a new nuclear safeguards regime for the UK?

Dr Golshan: There are a number of aspects. The first one is to ensure that the secondary legislation is in place at the right time, because that provides us with the mechanisms to exercise our powers. The Bill itself is an enabling part—it gives us the fundamental powers—and the secondary legislation gives us the mechanisms to deliver. Secondary legislation will also give us some certainty in relation to what guidance and standards we need to develop to make this happen.

For us, we need to have an IT system; a safeguards information management system. It is a live system that enables us to get data from our licensees, to process those data and to put them into a reporting format that the IAEA currently receives from Euratom. We are working on that; it is at proof of concept stage at the moment. Once we have established that we are able to do it, we will need to move into a phase that determines whether we are going to do it in-house, tender it out, or have a combination of the two.

Q11 Dr Alan Whitehead (Southampton, Test) (Lab): You mentioned that you were clear that we could not have a complete regime up and running by March 2019, and that the right way to proceed was to get the basics in place, as it were. However, as far as I understand, we are going to have to undertake a series of additional activities in order to get ourselves to a position that would have been equivalent to Euratom in the first place—nuclear co-operation agreements, negotiations with the IAEA, and so on. What do you think is the realistic timetable for getting those agreements in place, so that we actually have a final replication of everything that we were previously doing under Euratom as far as safeguarding is concerned?

Dr Golshan: I should say that, on negotiating nuclear co-operation agreements and completing the discussions with IAEA and Euratom, although we provide advice to the Government, it is not for me to sit here and determine or estimate a timetable. It is really strictly for the Government to conduct those negotiations, and I think that it is perhaps a question better answered by them.

Q12 Dr Whitehead: But to what extent do you think that the achievement or otherwise of those wider agreements impinges on the basic work that you indicated would be necessary to put in place by March 2019?

Dr Golshan: It is fundamental to it. We need to have a basic safeguards regime—a domestic safeguards regime—in place that enables the UK to demonstrate that it is fulfilling its international obligations under various treaties. Once that is in place we will be able to demonstrate that we have a rectified domestic safeguard arrangement in place.

Q13 Dr Whitehead: Right, but as far as I understand it, we need to have, not a concept of theory but a practical safeguards regime in place—

Dr Golshan: Yes.

Dr Whitehead: In order to demonstrate to the IAEA that we are able to fulfil a function relating to nuclear safeguards outside Euratom.

Dr Golshan: Absolutely.

Dr Whitehead: And those discussions, I understand, are proceeding at the moment but have by no means reached any conclusion. Are you confident that in terms of replicating the UK's safeguarding function, the basic structure you have outlined to us this morning that needs to be in place will be able to fulfil its functions and, in particular, assure and satisfy the IAEA that it can safely proceed with new treaty arrangements with the UK?

Dr Golshan: Yes is the short answer. We do not have to have a regime equivalent to Euratom in order to be able to proceed with concluding those agreements and negotiations, so what the IAEA needs the UK to have in place is a domestic safeguards regime that meets its international obligations under the non-proliferation treaty and others. So although there are risks here for us to complete the work we are doing, I think it is a much more achievable objective for us to aim for, rather than replicating Euratom in the first instance. I should again emphasise that having a regime that is equivalent to Euratom is not a prerequisite to complete those agreements and negotiations.

Q14 Trudy Harrison: Assuming that the Bill goes ahead as written, what will be possible on day one and what will not be possible, and how will that impact on our 17 nuclear sites? I ask with specific regard to my constituency of Copeland, which has Sellafield, the low level waste repository and the national nuclear laboratory.

Dr Golshan: The Bill is an enabling Bill. It gives us the broad powers in parallel with nuclear safety and security. It gives the Secretary of State the powers to make nuclear safeguards regulations. That is the secondary legislation that I referred to. In relation to what is possible at our nuclear sites—

Q15 Trudy Harrison: In terms of moving fissile material, exchange of knowledge and those kinds of practical aspects of work that need to happen?

Dr Golshan: There is a nuclear co-operation agreement and there are a number of states that, as a matter of policy, will not engage with a third country that does not have a safeguards regime in place. So our aim, and the Government's aim, is to establish a nuclear co-operation agreement with these states as a matter of priority. We are advising the Government and providing subject matter expertise. As to what will be possible on nuclear sites, we will continue to provide reports to the IAEA; that is a fundamental aspect of what a safeguards regime needs to deliver. As I said, the safeguards information management system that we will be putting in place is fundamental to achieve that.

Q16 Trudy Harrison: I just wonder about the benefits of the transition period, once we have gone through this stage, to enable those bilateral agreements—the 123 agreement and others—with the States and the many other countries outwith the European Union that we work with daily. How necessary is that and how long should it be?

Dr Golshan: I cannot comment on how long it should be; I think that depends on the scope of the negotiations and what can be achieved within the timescales we have left. From our perspective, a transitional arrangement will be extremely helpful. It will enable us to have parallel working arrangements in place with Euratom to conclude the discussions that we need to have with it, first, to understand what activities it currently undertakes on nuclear sites, but also the Secretary of State has mentioned that there should not be any weakening of standards in the UK following our departure from Euratom. The transitional period, as I see it, will seek to achieve that.

Q17 Dan Carden: The Bill does not cover other aspects of the UK's relationship with Euratom, such as research funding, and if you were making a plea to the Minister here today, or—

The Chair: As a very tough Chairman, I am going to say that we are not allowed to discuss things that are not in the Bill; we can only discuss those things that are in the Bill. Therefore, no matter what your thoughts on that subject may be, I am very sorry, but you will have to raise them in another Bill Committee at some other time. I am sorry—I hope people do not mind—but we have got to keep to what is actually in the Bill itself.

Q18 Andrew Lewer (Northampton South) (Con): Are there any other examples around the world of where national regulators are responsible for safeguarding in the way that this Bill proposes?

Dr Golshan: Numerous examples—a Canadian regulator, the US regulator, the Swiss regulator, and even though Finland is out of the European Union and part of the Euratom treaty, given that safeguarding is the responsibility of state, the Finnish regulator sees itself as being responsible for providing assurance to the state in that regard.

Q19 Dr Whitehead: You mentioned the different relationships that different countries have, both internationally and with Euratom. This Bill, as has already been set out on Second Reading, is very much a

contingency Bill, in the event that—effectively—no other relationship with Euratom is possible after March 2019. How would you see a possible future relationship with Euratom that might assist in any way with lessening the burden that you clearly have on you at the moment to establish a completely new regime, and indeed a completely independent set of inspection and reporting arrangements? Should it be an association similar to that of Switzerland, or would you envisage something rather closer to Euratom for the future, if that can be achieved?

Dr Golshan: I think that is probably a question better answered by our legal colleagues, but that aside, I am aware that the Euratom treaty provides for associate memberships, either as a whole or in particular aspects, and that article 206 of the treaty in particular facilitates that. However, I am not an expert on that and I think it would be inappropriate to comment as to whether an association membership is possible or on how it would be possible.

Q20 Dr Whitehead: A final thought for you, rather more for my curiosity than anything else. My understanding at the moment is that the inspection regime under Euratom means that there are effectively inspectors who are domiciled in the UK but working for Euratom. What happens to those inspectors in March 2019? Can we, as it were, steal them for the UK, or do they get exported back to Euratom at that point?

Dr Golshan: I think that is primarily probably a question for those individuals, and more broadly for the Government, to negotiate with Euratom. As far as I understand it, however, the number of these inspectors is no more than a handful and we will need significantly more than that, as I explained earlier. It is a matter of choice for them. If they wish to join the regulator—ONR—then I am sure that we will be more than happy to absorb them.

The Chair: Unless there are further questions from colleagues, I thank you very much, Dr Golshan, for your excellent and most interesting information, and indeed for expressing it in such careful, precise and brief terms, which gives us an extra five or 10 minutes for the following panel. So thank you very much indeed for coming.

Dr Golshan: It was a pleasure to be here. Thank you.

Examination of Witnesses

Tom Greatrex, Jonathan Leech and Rupert Cowan gave evidence.

9.54 am

The Chair: I welcome the next panel to give evidence, and—without meaning any disrespect to the other two gentlemen—I particularly welcome back our former colleague, Tom Greatrex. Good to see you back here. You probably remember the tough time that you gave me at various times—you are going to get a tough time, too. Welcome to the other members of the panel, from Prospect Law. We have until 11.25 am, which is a reasonable time; but we will have to stop at 11.25 even if we are speaking, so I will try to wrap up a little bit before. First, I ask the three witnesses to introduce yourselves and, if you wish, to give a brief introduction to your thoughts on the Bill.

Rupert Cowan: I am Rupert Cowan, with Prospect Law. My background is advising, as a lawyer, the nuclear industry, providers of services, operators and generators. I am a very worried lawyer at the moment, having seen the Second Reading debate, and I am concerned that, despite the obvious excellent progress that ONR is making towards introducing a safeguards regime, that regime on its own will not enable the industry to continue to operate without interruption.

Jonathan Leech: I am also a lawyer specialising in nuclear law and regulation, working with industry. In terms of my initial views on the Bill, as far as it goes it is, of course, merely an enabling power. One thing I did want to lay out, though, is that it is emphatically not a contingency. Unless we have a radical change in direction of travel now, we will need it; it is not something that can be set aside. I am sure we will come back to discuss that in further detail. I also have some views on the scope of the powers that the Bill confers. But the real task will lie in the secondary legislation, how that is implemented, and how that relates to the nuclear co-operation agreements that we will need before any exit from Euratom, if we are not to disrupt the industry.

Tom Greatrex: Tom Greatrex. I am not a lawyer; I am the chief executive of the Nuclear Industry Association, which is the trade body for the UK civil nuclear industry, representing 260-plus companies across the supply chain. The industry concern is very similar to that just expressed by my two colleagues—namely, that the Bill does one small part of a whole range of things that need to be done to ensure there is not disruption as a process of leaving Euratom. I am, similarly, intrigued by the ministerial comments in the Second Reading debate, particularly around this being a contingency, because that is something different from what we have been discussing to date. My overall concern is that we need to do a whole range of different things, not just what is in the Bill, to ensure that we have a position that avoids any disruption to activity in the civil nuclear industry.

Q21 Richard Harrington: I am very happy to ask this question of any of the witnesses, but it is particularly addressed to you, Tom. You have all made comments at different stages about, in effect, your own case, Tom—that you hope the decision to leave Euratom can be reversed. I am aware of the different points made; but may we for the moment leave aside these hypothetical points? I am not entering into their validity or otherwise for the purpose of this question. Do you believe it is necessary for Parliament to pass this Nuclear Safeguards Bill?

Tom Greatrex: If we are to have a domestic safeguarding arrangement and system, we will need to have the power conveyed to the ONR to undertake that role. I have described the Bill before as being a necessary legislative step. It is; but obviously, a whole range of other steps need to come after that, which are contingent upon it. That is where the majority of the concern lies.

Rupert Cowan: May I add to that? Emphatically yes, it is necessary to pass a Bill that puts in place a domestic safeguards regime. The Bill is a step towards achieving that. But what needs not to be lost is that the terms of that Bill, and the secondary legislation that it creates the opportunity to provide, must also be in terms that do not prevent those that we currently have nuclear co-operation agreements with courtesy of Euratom, continuing to co-operate with us. There is a very substantial

concern among those that want to be our friends and continue to co-operate with us, and those that may not—who, for slightly more opaque reasons, do not want to make it easy to continue to co-operate with us—that the Bill, as it stands, will not allow a safeguards regime that is neutral in its application to the commercial parties that are participating in the industry. We have given you a note; if you read the end of it you will see that, although we are not entitled to, we are suggesting a possible amendment that you might consider to achieve that neutrality. It is in paragraph 4.

Q22 The Chair: Perhaps you could expand on what that proposal is.

Jonathan Leech: Obviously, the Government's stated intent appears to be to replicate, as far as possible, the current safeguarding regulatory regime that we have in place with Euratom. In a sense, all we should be looking for in the Bill, as a piece of enabling legislation, is to see wording that allows that to happen. Our concern around the way that power is expressed is that it appears currently to be written more from the perspective of the IAEA voluntary offer safeguarding agreement text than the Euratom treaty text. You might argue it is a fairly subtle distinction, but if we are seeking to replicate what we have, I would suggest that a good place to start is the high-level requirements of the treaty, which talk in terms of not diverting from declared use, and those at least should be considered as an additional scope that would be brought within the power, rather than purely focusing on material being diverted from civil activities. Hence the wording that we have proposed in the note is rooted in the treaty and would not take anything away from current scope, but would merely ensure that it is within the power to replicate.

Q23 Alex Norris: This is probably a question to Rupert or Jonathan. You said that you watched the Second Reading with interest. You will have heard in that session that if we leave the EU, which we will, we will by definition have to leave Euratom. If Parliament was your client, would that be the guidance you would give it—that one decision necessitates the other?

Jonathan Leech: No.

Rupert Cowan: Absolutely not.

Jonathan Leech: There are obviously links between the two. There are statements in the treaty that article 50 does apply to the Euratom treaty, but there are sound legal arguments available that it is not an automatic consequence and in fact you have to follow a separate but similar process to exit Euratom. In a sense we have moved beyond that, to the extent that the withdrawal notice makes express reference to Euratom, so to the extent that there are two separate processes, we have already triggered both of them. That has maybe put us in a more difficult position in negotiating a potential extension period or remainder within Euratom, which would alleviate a lot of the concerns around the current two-year timetable, which creates some serious problems for the industry. The advice would be that you do not have to accept this and it may not be in your interests to do so.

Rupert Cowan: I would add, the Minister has made statements—

The Chair: Briefly, as we are starting to get outside the scope of the Bill.

Rupert Cowan: Fair enough.

The Chair: By all means comment briefly if you wish to—I would not want to be declared a tyrant—but I would stick to the terms of the Bill, which is nuclear safeguards, rather than the extempore bits.

Rupert Cowan: Fine. The point that lies within the Bill and should be connected to the question is that the next step chronologically is to renegotiate the nuclear co-operation agreements. Unless the Bill provides a basis for safeguards, which gives reasons to those that do not wish to co-operate easily with us to co-operate, then you will find renegotiation very difficult.

The Chair: That will be a matter for another day. I tend to be quite strict with the Committee because it is a topic that can spread its wings in a whole variety of different areas. We are tasked by the House of Commons simply with discussing the terms and the wording of the Bill, rather than the wider consequences or circumstances.

Q24 Trudy Harrison: With regard to the ownership of fissile material, I understand that Euratom actually owns the plutonium at Sellafield. Therefore is it not in the European Union's interests to be co-operative, because would it really want that material sent back to it?

Rupert Cowan: Not necessarily.

Jonathan Leech: There is no question of that material being sent back.

Q25 Trudy Harrison: Because it would be practically impossible to do so?

Jonathan Leech: It is the UK's responsibility.

Q26 Trudy Harrison: Who owns it?

Jonathan Leech: Ownership will transfer to the UK on exit from Euratom.

Q27 Trudy Harrison: But who currently owns the material?

Jonathan Leech: I think technically that material belongs to Euratom at the moment.

Q28 Trudy Harrison: That is certainly my understanding: that Euratom owns all of the fissile material in the UK in the civil nuclear industry.

Rupert Cowan: That is the effect of the treaty.

Q29 Trudy Harrison: Rupert, you mentioned interruptions to the industry. Could you be more specific? What interruptions? What needs to happen to avoid those interruptions? What are the consequences?

Rupert Cowan: It is difficult to answer that question and remain entirely within the Bill, so I expect that James Gray will jump at me.

The Chair: You may digress very slightly, but don't get too carried away.

Rupert Cowan: Essentially, the safeguards regime is the first step. The second step is the replacement of the existing nuclear co-operation agreements with the jurisdictions that have them with us, notably the European Union, the United States, Korea and Japan. If Euratom is no longer included in our safeguards regime, each of those agreements must be renegotiated, and each of them will require a substantial resource to achieve that.

For example, America requires a section 123 agreement under the US Atomic Energy Act. If there are any members that—for their own reasons—do not immediately wish to agree, they can rely on the fact that the safeguards are different from the Euratom safeguards, and say, “We are not able to agree a nuclear co-operation agreement with you yet,” or “in the future,” depending on what is driving them.

Q30 Trudy Harrison: So I understand, but it is a first point of getting this Bill through.

Rupert Cowan: Absolutely.

Q31 Trudy Harrison: Which will then give us the opportunity to progress those bilateral agreements.

Rupert Cowan: Correct, and nothing that we are saying suggests that this Bill should not go forward, save for the amendment we suggested, which would make those negotiations more straightforward.

Q32 Dr Whitehead: You mentioned that the Bill is first a contingency Bill and secondly an enabling Bill, and that the main work will be putting in place secondary legislation to get us to a basic safeguarding regime that by March 2019 will operate pretty much as Euratom does at the moment. How realistic do you think that process is, in respect not of the Bill but of what needs to be done to get to that position, on the basis of the Bill?

Jonathan Leech: May I first go back to the point about the Bill being a contingency? It is very important that the Bill is no sense a contingency.

The Chair: Perhaps you could speak up a little. We are having slight difficulty hearing you.

Jonathan Leech: The Bill is in no sense a contingency, unless we get into a position where we simply do not need our own domestic safeguards regime. Otherwise, it is necessary—it is essential. We have to have it, and we have to have it now. We need the secondary legislation on the table as soon as possible, if not now, and then we need the resource within ONR that we heard about earlier. Critically, it is not just that we need all that in place at the end of the two-year period; we also need to be able to demonstrate that to all those we seek to negotiate replacement nuclear co-operation agreements with, so that we can also have those agreements in place seamlessly at the end of the two-year period.

There is another point to clarify in relation to the role of the IAEA. We are not negotiating nuclear co-operation agreements with the IAEA; we have to negotiate with them on the voluntary offer agreement. Those negotiations are progressing, but I suspect that they are not negotiations that will be critical from a time perspective; it will be the negotiations of the nuclear co-operation agreements, and there we are at the mercy of political will in any number of counterpart states. That is where it becomes extremely uncertain as to whether it is even possible to have those things in place within that timescale. Certainly, to stand any chance of that, we should be in a position today to say, “These are our proposed regulations, this is our resource, this is where we are with IAEA. Can we start talking to you seriously about an NCA?” It is not enough to be able to say, “This is our enabling legislation.” We need to be a long way ahead of this if we are going to have any chance of meeting that two-year timescale.

Q33 Dr Whitehead: A first question on that statement: are there any individual bilateral agreements that one might think ought to be a priority for negotiation as opposed to others? Secondly, if one did engineer some kind of transitional arrangements with Euratom, would it be satisfactory for continued membership, effectively, of Euratom while those negotiations took place? Would that effective transitional membership of Euratom after March 2019 provide the sort of facilitation for those individual agreements to be satisfactorily concluded that would actually give comfort as far as the overall picture of those agreements was concerned?

Tom Greatrex: It could do. You heard from the ONR earlier about the attractiveness of having a period of parallel working. That is in relation to the safeguarding activity and carrying out that function. It is a similar position with relation to co-operation agreements which currently exist under the Euratom umbrella. So the nuclear co-operation agreement we currently have with the US is as a member of Euratom. We will need to have a bilaterally negotiated nuclear co-operation agreement in the future, because it is a legislative requirement in the US and I am sure you will hear from others in evidence about why that is so critically important to particular power stations and projects. Enabling there to be a position where you are covered by the Euratom nuclear co-operation agreement while a bilateral nuclear co-operation agreement is finalised, agreed and put in place is exactly the kind of transitional arrangement or contingency or parallel working—whichever choice of words you want to use for broadly the same thing—is something that the industry has said is very desirable. You have also heard from the ONR that this will help them in the work they will be tasked to do as a result of the provisions of this Bill.

Jonathan Leech: May I add a thought on the concept of associate membership and the extent to which we can rely on that? Of course, the nuclear co-operation agreements we are talking about are agreements with Euratom for the benefit of Euratom members, who are fully subscribed to all the obligations and commitments that entails, including acceptance of all Euratom regulation, including acceptance of European Court of Justice jurisdiction. When we come to look at the transitional phase, we should certainly not assume that all counterparts of those co-operation agreements with Euratom would accept that they should somehow continue to apply to the UK if the UK is something other than a fully subscribed Euratom member. So when we talk about associate membership or a third state of some sort and other examples around, that we can see where others have relationships with Euratom, that in itself would not solve the immediate need to ensure that we have the co-operation agreements in place that we need.

Q34 Dr Whitehead: Could you perhaps expand on that a little, because there are a number of potential lines that one can move down in this process? One, presumably, is to seek some kind of long-term associate membership of Euratom. We have two models in place for associate membership of Euratom at the moment, but I understand that they do not provide fully for the sort of arrangement that we might want to consider, which would cover all the issues of the transfer of responsibility to the UK jurisdiction.

Secondly, we might move down the line of a transitional arrangement, in order to get to the position—not at a more leisurely pace, but at a rather more possible pace—of possible complete rupture with Euratom, but in circumstances in which we might have got NCAs in place in a reasonably orderly way. What, in your view, are the realistic prospects of going down one or other of those routes in the sort of time that we have in front of us?

The Chair: Again, we need a brief answer, because we are drifting slightly wide of the terms of the Bill. We have plenty of time, but even so.

Rupert Cowan: Let me bring it within the terms of the Bill, to make you feel happy, Mr Gray. Obviously the Bill enables those discussions, as has been described, but the chances of being able to follow either of those routes successfully before March 2018 are zero. The possibility of associate membership is not zero but that possibility, having been fulfilled if counterparties are willing to allow it, would not allow us either the opportunity or the time to negotiate the necessary co-operation agreements with the important counterparty jurisdictions that we need.

The second alternative that you suggest is of maintaining full membership for a period, so maybe it could be extended by two years with a sudden cut-off being agreed, and being able during that two-year extension to renegotiate NCAs. That is probably the most practical and preferable solution, but whether or not members of Euratom would be prepared to allow the UK to do that is a very different question.

Unfortunately, it is inevitable that we will be faced with discussions about renegotiating our NCAs with key counterparties who are neither motivated to agree quickly nor able to, because of their own international obligations of recognising the adequacy of our safeguarding arrangements, and there will be a point at which they cease to apply under Euratom, with consequences that remain to be seen.

I mean, I cannot imagine the United States immediately withdrawing its expertise from the various sites, but it may choose to. Similarly, Korea is a very important counterparty. Once the agreement comes to an end, the opportunity of persuading Korea to invest in Moorside goes away from us.

Q35 Mary Robinson: This question is actually a continuation of that line of thought. How far does UK participation in Euratom enable access for nuclear research funding?

Rupert Cowan: In terms of research, which is a separate issue, it is fundamental. All the joint research—the Joint European Torus and so forth—is predicated on membership of Euratom, and the funding arrangements are a subset of the arrangements of the Euratom members. At the moment, it will stop, and unless central Government funding is made available people will return home.

Q36 Dr Whitehead: I think this is a question about an issue that we were both concerned about. Mr Cowan, you mentioned the date of March 2018. That presumably is because you feel that that is the point at which—?

Rupert Cowan: Well, it is the article 50 notice. [*Interruption.*] Did I say 2018? I meant 2019—apologies.

Dr Whitehead: Okay. Assuming we did mean 2019, if we are not in a position—even if we are reasonably close to a position—where we have done all the secondary legislation arrangements for nuclear safeguarding, but we have not made too much progress in a number of other areas relating to transposing Euratom responsibilities to the UK, and/or a number of those NCAs are in a difficult position as far as their conclusion is concerned, what would be the effect on the nuclear industry at that point?

Rupert Cowan: It is very difficult to project, but it does mean that, unlike other industries, trade has to stop—trade in materials, in intellectual property and in people, as in intellectual property. For example, you can imagine that the French, if they were in a bad mood, might choose to drag their feet, because in consequence they would be able to take a monopoly of fuel retreatment from Japan, which currently sends some to the UK and some to France. Who is to know that that will not happen? The European Union will not see us as friends and will not seek to bend over backwards to find accommodation for a nuclear co-operation agreement. It is probably going to be a very slow and difficult arrangement.

One thing that needs to be in place to achieve any progress is a safeguards arrangement that is at least as good as Euratom's. Currently, the Bill as drafted insinuates that there is a window for it to be less than Euratom, because it goes to IAEA rather than Euratom guidance. Hence the words that we are offering for someone to propose as an amendment, so that in those negotiations you can say, hand on heart, that there will be no dilution, and therefore no commercial advantage to the UK, as a result of our having a domestic safeguards arrangement rather than a Euratom safeguards arrangement.

Tom Greatrex: Let me add that if, as has been stated, the Government's intention is to replicate the Euratom standards and arrangements, you will have heard from the ONR earlier that it will not be possible to implement that at the end of March 2019. That is the crux of the industry's concern about there being sufficient time to enable the new UK regime to be in place. The Bill does just the very first part of enabling that to start to happen. It does not solve the issue; there are a whole range of things that have to happen as a consequence of the Bill and other remits that need to be struck, which is why people are concerned about a very real-time pressure.

Jonathan Leech: The very first step would be to make absolutely certain that the Bill gives the power to create the regulatory regime that is equivalent to Euratom. The second step, which needs to follow that very closely, is to ensure, by whatever means necessary, that ONR is given the resource to do what needs to be done, so that we do not face any hiatus, if indeed that is possible.

Rupert Cowan: In the safeguards regime.

Jonathan Leech: Yes, in the safeguards regime.

Rupert Cowan: Which then allows the discussions to go forward from a position of fairness and honesty; that we are not trying to dilute or change the obligations we have under Euratom, which is what others might suspect.

Jonathan Leech: When you have both of those things, you can go and speak to counterparties to the co-operation agreements you need and say, "This is what we are

doing. We can lay it out on the table for you. This is the investment we are making and these are the regulations we will have in place." If we cannot do that, they simply will not take us seriously.

Q37 Dr Whitehead: The Bill, as we have heard and as you have set out this morning, is very much an enabling Bill. As the Bill stands, the process of getting us to where we need to be by March 2019 is entirely in the hands of secondary legislation, which does what secondary legislation does and is accountable in the way that secondary legislation is. One of my concerns is the extent to which the Bill therefore places in the hands of somebody—obviously, present company are entirely absolved from this criticism—the ability to do the various things to get us to that position by March 2019 but without further reference to Parliament. Do you have any views on the legal position relating to that, and on whether Parliament ought to have some kind of scrutiny role to ensure that we do get to that position by March 2019, bearing in mind that the current arrangements in the Bill appear not to allow that to happen?

Jonathan Leech: As a matter of general political process, yes, there needs to be scrutiny so that these regulations are developed now—not over the next two years, but over the next month—so that we are then in a position to take the steps that follow. In terms of the broader position, if what we are seeking to do is to replicate and preserve what is, at the moment, effectively EU regulation, then that is but one of many areas where a similar approach may be taken. It is a little more complex here because you have to untangle it from the resource of Euratom and the enforcement processes and the ECJ jurisdiction. Nevertheless, if the statement is that it is to replicate, then the objective should be just that.

In terms of the fine detail of the regulation, it is an intensely technical thing, and some sort of secondary legislation is probably the right place for it. My biggest concern would be around scrutiny of the timetable to ensure that it is not delayed in any way that will jeopardise our position at the end of the two-year process.

Tom Greatrex: I would have thought that, as Members of Parliament, you would want to be satisfied and confident that everything is in place in the timeframe in which it needs to be in place. It is obviously open to you to seek to amend the Bill in order to put that to the test.

A subsequent related point is that the industry also thinks that it is important that the Bill could be amended to ensure that the nuclear sector is consulted on the detail of that new regulation. You have to bear in mind that there will be people who will need to make sure that they can comply with that regulation, so understanding its content is vital. Getting that right—given the timeframe and the time pressures we face—is going to be critical. So there is another route to pursue to ensure not only that Parliament is satisfied, but that the industry has an opportunity to be consulted on the detail of that new regulation so that it is right first time.

Jonathan Leech: In a sense what is needed is the highest degree of openness and the widest consultation possible in the development of that regulation.

Q38 Dr Whitehead: On a scale of one to 10, how much of a scare story position is there on what would happen to the nuclear industry if we do not have those arrangements in place by March 2019, or if we do not

[Dr Whitehead]

have a transition period in which we could get those arrangements in place on a more leisurely basis? Some stories have been circulating that the nuclear industry will essentially cease to function, when it comes to the transfer of fissile material, supply chains and so on. Do you take that completely seriously or partly seriously, or are you not worried about it at all?

Rupert Cowan: Completely seriously. The reason for that is that each of the counterparties with whom we trade in fissile material, components, or anything else listed as sensitive and nuclear, have their own international treaty obligations. One of those obligations is that they should not trade with people who do not have safeguard arrangements in place that are at least equal to the IAEA safeguards. Unless that is complete and in place, we will not trade, and so they will not be able to continue business with us—full stop. If any members will be participating tomorrow in the Business, Energy and Industrial Strategy Committee on the economic implications for the industry, that is what will be said to you.

The Chair: I am keen to move on. Minister.

Q39 Richard Harrington: Thank you, Mr Cowan, Mr Leech and Tom, for your support for the Bill. Everything you have said is the reason why we are introducing the Bill, and I thank you very much for your support for it. I have read your opinions and amendments and have taken them into consideration. Thank you very much for the work that you have done. Please do not think that the evidence that you have given is taken lightly, but I must underpin that by confirming your answer to a previous question, which was that you do support the Bill. I accept fully the reasons why you do.

Rupert Cowan: We support the Bill completely. We suggest the amendments for the reasons described.

Q40 Paul Blomfield: I want to explore the concerns about the gap between the existing safeguarding regime and that envisaged by the Bill. Dr Golshan said that the new regime that she was seeking to establish would not replicate the functions undertaken by Euratom in relation to safeguarding. I am also conscious that the NIA's evidence talked about the importance of leaving without any gap, but that you were worried about the gaps provided. I wonder whether you could elaborate on that a little more, Tom.

Tom Greatrex: As the ONR said earlier this morning, it will not be possible to replicate the safeguarding regime on day one. If the Government have said that they intend to replicate the standards that we currently have as a member of Euratom, there is obviously a concern that we will not be in the position where we will be meeting the same standards at the point at which we leave Euratom. That is the crucial point about the need for a transitional arrangement or parallel working—there are different ways of describing what is broadly the same thing—which is to avoid that gap.

If you do not have the correct arrangements in place, as you have heard from others on the panel, the series of other arrangements that are effectively contingent on the safeguarding regime will not be able to be in place. That is why it affects absolutely everything to do with the functioning of the industry as it currently functions and has functioned for the past 40 years or more.

We can take a practical example. Because of the international nature of the nuclear industry, the Sizewell reactor currently generating power in Suffolk is based on Westinghouse technology. That technology is therefore US technology. Because of the legal requirement to have a nuclear co-operation agreement in place, there are very real—these are not scare stories—and legitimate concerns that even the ability to exchange information between the operators of the site, EDF and where the technology originates from will potentially be illegal at the point when we come out of Euratom, if we do not have successor arrangements in place or a period of time to enable the transition to be finalised and for the new regime to be put in the place.

It is not about being against the Bill. The Bill does the first step, but there are many more subsequent steps that have to be taken. The ability to do that in a very limited timeframe is the cause of the majority of the concern.

The Chair: We will discuss that in this room when we are considering subsequent Bills, no doubt.

Q41 Trudy Harrison: I am hearing that the legislation should be descriptive of Euratom—almost a cut-and-paste job. That differs from the way that ONR currently deals with safety and security, which is outcome-based. While ONR has responsibility for safety and regulates for security, do you see benefits in ONR also having responsibility for safeguarding? Could there be cost or knowledge and skills benefits in ONR having all three strands of the nuclear industry in one building and within one organisation?

Tom Greatrex: The question is probably better addressed to the ONR, but I think the skillsets that would give the ability to move between those different things may be limited to some extent. However, as you heard earlier, it is not unusual for domestic regulators to have responsibilities for safeguarding inspection. That happens in a number of different countries already, but Euratom effectively does that on our behalf. I do not think that in itself is particularly an issue. It is about the process of being able to move from the current situation to the new one.

In the fullness of time, if we get all these arrangements in place and there is not an interruption, and all those concerns are addressed, I do not think there is anything to suggest that the ONR would not be fully capable of doing this alongside the other things it is currently required to do. I am not sure to what extent there would be the economies of scale benefits that you suggest, because the skills involved in safeguarding inspections are quite different from assessing new reactor designs or the routine safety inspections that happen at sites around the country, such as Sellafield and others.

Q42 Trudy Harrison: I am going to come back to the waste issue. I understand that we have waste from the United States and also, I think, from Tokaimura in Japan at Sellafield. What would happen to that waste—waste owned by either other countries or Euratom—if we do not get this in place?

Rupert Cowan: They rub their hands with glee and say, "You keep it; your problem."

Trudy Harrison: But it already is our problem.

Rupert Cowan: No, because it goes back to Japan when it has been re-cleaned. They will just say it is our problem, and that they cannot take it because they are

not allowed to. You should not get the impression from what we are saying that we are in any way opposed to the Bill. It is probably correct that, ultimately, ONR being responsible for safeguarding is a positive outcome. It is the disruption that frightens us. That disruption is not a scare story, it is a very real possibility in terms of electricity generation and the ownership, safeguarding and storage of spent fuels, which would be going back to their home base—or not, depending on the particular arrangement; it is all going to stop if we do not get this organised. That is the danger.

I am not saying that we will not have resolved it in 10 years' time, but the next two or three years look pretty bleak. That is the worry.

Jonathan Leech: We have to keep in mind that international nuclear trade depends upon international acceptability; it is very much a compliance-driven culture. It is not the case that there is a fall-back that might involve a higher tariff or whatever; it would simply be unlawful, so it would simply stop until such time as we have resolved the impasse.

The Chair: We are testing the edges of the Bill. Maybe because I want to say “sir”, I call Sir Robert Syms.

Q43 Sir Robert Syms: May I ask you this, Mr Leech? You are saying that this is a good first start, but the key thing is the regulations. From your point of view, would you like to see as many of the regulations published as early as possible, so that you can see the overarching regulatory regime, which would build confidence for the industry?

Jonathan Leech: Correct. We should see those published as soon as possible and consulted on as widely and as soon as possible. That should happen alongside the development of the resource to deliver them.

Sir Robert Syms: Good.

The Chair: I am being fairly relaxed, but I want to bring it back to what is in the Bill, rather than what is not. With that in mind, I call Dr Whitehead.

Q44 Dr Whitehead: What is in the Bill is, among other things in the schedule, some possible route by which nuclear inspection might be made compatible with what the process of safeguarding inspection consists of, so far as what those Euratom inspectors who undertake it in this country on behalf of Euratom do. In the Energy Act 2013, there is a substantial appendix that sets out in detail the responsibilities, powers and intervention arrangements of nuclear inspectors for the whole nuclear industry, except for safeguarding, which is specifically removed from inspectors' responsibilities by that piece of legislation. What would be necessary to make sure that those powers in the 2013 Act for nuclear inspectors are mirrored exactly, to integrate what the Euratom inspectors did and what UK inspectors would be required to do in the future?

Jonathan Leech: You are right into the detail of the technical regulation there. The first thing is that you need to expand the scope of those powers within the legislation, and the Bill seeks to do that. Then you need the regulation to set out exactly what is to be done, how and where, and take into account the point, which we have

not really gone into, about the outcomes-based approach that the rest of our domestic nuclear regulation is based on. That will present a challenge in transcribing the regulations for use in UK law. We are probably straying from the Bill there. However, provided that we set out in the Bill an expansion of those enforcement powers, which will be an essential component of the expansion of ONR's role, we are starting to put in place what we need to have. We need the regulation to go with it.

Q45 Dr Whitehead: Would it be necessary, for example, to bring into the Bill the entire range of powers and intervention possibilities that inspectors have, to ensure that they are identical to those that would have been undertaken by Euratom inspectors? Or would it be necessary perhaps just to switch off those bits of the 2013 Act that meant that inspectors could not inspect and issue prohibition notices and other things relating to nuclear safeguarding, whereas they could do everything else? Is it not the case that, in the 2013 Act, there are sufficient powers for those inspectors to enable them to do what they need to do as far as a successor regime to Euratom is concerned simply by turning off what they are not able to do?

Jonathan Leech: In terms of how it is presented, I suggest that it is preferable to have our law on this matter collected together in one place and so to proceed by amendment, rather than by replication. If we create a whole new regime in the Bill, then we introduce the possibility of discrepancies between two similar but possibly slightly different regimes, that is generally unhelpful. To proceed by amendment to an expansion of the Energy Act 2013 is probably the right way to go.

Rupert Cowan: I see the people who are negotiating the nuclear co-operation agreements. They want to be able to refer to a clear set of guidelines, which is clearly at least as effective in safeguarding, and therefore allowing the counterparty to fulfil its international obligation, as the existing Euratom system. It needs to be easily referable to, so that you can sell it and get your deal as quickly as possible, without them taking points about the way your safeguards are drafted or presented. That should be very much in the minds of the draftsmen—that there is a commercial and pressing need to get this agreed with seven or eight foreign jurisdictions as quickly as possible, some of whom will be willing, and some of whom will be less willing, to agree your safeguards regime as adequate to fulfil their obligations. It needs to be clear, clean and saleable. That is the secondary legislation that follows from the Bill, which is why we have suggested only one amendment. The objective of the amendment is to do that, so you can go and talk to somebody in Korea or the United States and say, “This works,” and they cannot see a reason quickly why it should not. You are resourced, the regulations are clear, they apply and you can have your discussion over in months, rather than years.

The Chair: My instinct is that the Committee has found your evidence extremely useful. Unless there are any further questions, I thank you all for your extremely helpful, useful, well-informed and wide-ranging evidence. We are most grateful to you.

Ordered, That further consideration be now adjourned.—(Rebecca Harris.)

10.45 am

Adjourned till this day at Two o'clock.

