

Treaty on the Non-Proliferation of Nuclear Weapons
2010 Review Conference
New York, 4-28 May 2010

Position Paper by Australia, Austria, Canada, Denmark, Finland, Hungary, Ireland, the Netherlands, New Zealand, Norway, and Sweden (“the Vienna Group of Ten”)

Article III (3) and IV, preambular paragraphs 6 and 7, especially in their relationship to Article III (1), (2) and (4) and preambular paragraphs 4 and 5

[Approaches to the Nuclear Fuel Cycle]

Draft Review language:

1. The Conference notes that fuel assurance mechanisms can act to support the Treaty’s objectives of facilitating the peaceful uses of nuclear energy and addressing global nuclear non-proliferation. The Conference further notes that reliable and transparent fuel assurance mechanisms can provide an effective back-up to the existing market. The market, with such back-up, can give countries that have chosen to develop or expand nuclear power programmes a cost-effective and viable alternative to developing nuclear fuel cycle capabilities of their own, without affecting their rights under the Treaty.
2. The Conference affirms that, to function properly, any assurance mechanism must be transparent, independent, inclusive, and applied in an equitable manner using defined criteria, and come under the auspices and safeguards of the IAEA. Assurance mechanisms, singly or in conjunction with other complementary mechanisms, should not act to distort the existing well-functioning market, and should address real needs, allowing for the development of peaceful uses of nuclear energy in the best safety, security and non-proliferation conditions.
3. The Conference affirms that reliance on any such mechanism should be wholly voluntary, remaining solely a sovereign decision of the particular State, and should not act as an enforced restriction of States’ activities related to the fuel cycle. The Conference further states that any such mechanism should operate to clear, apolitical and objective criteria as approved through the IAEA Board of Governors, which should support the rights and obligations of States under the Treaty.
4. The Conference invites interested States to continue work on developing multilateral approaches to the nuclear fuel cycle.

Working Paper: Approaches to the Nuclear Fuel Cycle

1. The Vienna Group of Ten (hereafter “the Vienna Group”) notes that the nuclear technologies of enrichment and reprocessing are usable both for peaceful purposes and for the production of fissile material for nuclear weapons, and that these nuclear technologies are of direct relevance to the Treaty’s objectives. The Vienna Group notes that an expansion of nuclear power generation for peaceful purposes is expected to occur in the coming decades. This has resulted in a renewed interest in multilateral approaches to the nuclear fuel cycle, including the provision of assurances of supply of nuclear fuel as a viable alternative to national acquisition of enrichment and reprocessing technologies. The Vienna Group notes that in this context, fuel assurance mechanisms can act to support both the Treaty objectives of facilitating the peaceful uses of nuclear energy and addressing global nuclear non-proliferation.
2. The well-functioning, international nuclear fuel market provides assurance of fuel supplies, in a predictable, equitable, stable and cost-effective manner, over the long-term. However, the Vienna Group recognises that States may wish to look at back-up options with the objective of protecting against disruptions which could create apparent or real vulnerabilities in the security of supply. Reliable and transparent fuel assurance mechanisms – which would be triggered should commercial supply mechanisms fail, for various reasons – can give countries that have chosen to develop or expand nuclear power programmes a credible alternative to developing nuclear fuel cycle capabilities of their own, without affecting their rights under the Treaty.
3. Such mechanisms would have clear benefits: facilitating States’ peaceful use of nuclear energy, addressing the capital and other costs associated with establishing and maintaining a nuclear power programme by obviating any need for investment in fuel-cycle infrastructure, and fostering international cooperation in the safe and reliable peaceful use of nuclear energy. Multilateral fuel assurance mechanisms also aim to assist in further addressing proliferation, security and safety risks connected with a growing global inventory of technologies and facilities with the capacity to produce material directly usable in nuclear weapons.
4. The Vienna Group believes that, to function properly, any assurance mechanism must be transparent, independent, inclusive, and applied in an equitable manner using defined criteria. This is best done by ensuring that it works under the auspices and safeguards of the IAEA. Assurance mechanisms, singly or in conjunction with other complementary mechanisms, should not act to distort the existing market, should address real needs, and should effectively deal with all relevant aspects of the front end of the cycle. Reliance on any such mechanism should be voluntary, remaining solely a sovereign decision of the particular State.
5. Any such mechanism should operate to clear, apolitical and objective criteria as approved through the IAEA Board of Governors, which should support the rights and obligations of States under the Treaty, and only in circumstances where a clearly-defined disruption in supply has occurred that is not related to technical or commercial considerations, and when non-proliferation obligations are fulfilled. It should not act as an enforced restriction of States’ activities related to the fuel cycle. It should address the

uses allowed for any LEU supplied, and the non-proliferation obligations associated therewith.

6. The Vienna Group believes that appropriate mechanisms to address the back-end of the fuel cycle, including reprocessing, spent fuel and waste management, may also be useful.
7. The Vienna Group stresses that any multilateral approach to the nuclear fuel cycle must be in conformity with the inalienable right of States Party to the Treaty to the peaceful uses of nuclear energy (Article IV of the Treaty). They must equally respect the Treaty's non-proliferation provisions under Articles I, II and III, and act in conformity with the primary non-proliferation instruments of effective and universal implementation of the IAEA safeguards system, including the Additional Protocol, and effective export controls.
8. The Vienna Group considers that, in line with relevant international instruments and IAEA standards and codes, any proposal for a multilateral fuel cycle mechanism must provide for effective physical protection of the associated nuclear material and facilities as well as the highest standards of nuclear, radiation and transport safety and waste management. The Vienna Group looks forward to consideration of these essential issues in the future development of any multilateral fuel cycle mechanisms.
9. The Vienna Group notes the approval by the Board of Governors of the IAEA of the establishment by the Russian Federation of a reserve of low-enriched uranium to the IAEA for its Member States. The establishment of this reserve is an important first practical step in the development of multilateral fuel assurances, and should encourage further work on the establishment of an IAEA fuel bank at an early date, and will provide a useful test for such schemes. The Vienna Group further notes that a number of other fuel cycle-related multilateral projects, which would be under IAEA control and safeguards, are currently under consideration, including an IAEA fuel bank. The Vienna Group believes that such mechanisms, with broad international support, and acting in accordance with the IAEA's wider mandate, can benefit the global non-proliferation regime.