

Brussels, 26 October 2006

## **FORATOM broadly welcomes EC's recommendation on the efficient use of nuclear decommissioning funds in the EU**

**FORATOM, the trade association representing the European nuclear industry, broadly welcomes the Recommendation that was adopted yesterday by the European Commission (EC) on the way that Member States should appropriate, manage and use funds destined for the decommissioning of nuclear installations and for the management of spent fuel and radioactive waste. FORATOM fully supports the general principles that underpin the Recommendation, namely that sufficient decommissioning funds should be set aside, that funding arrangements are managed in a transparent way and that any decommissioning activity should be carried out with safety and environmental protection as primary considerations. FORATOM acknowledges the EC's call for harmonisation of rules governing the appropriation and use of decommissioning funds. It particularly welcomes the Recommendation's emphasis on maintaining a flexible approach to harmonisation that recognises how operational, regulatory and legal conditions vary among the Member States.**

One of the main principles behind the EC's Recommendation on decommissioning funds is that it would be of clear benefit for nuclear safety if rules for the constitution, management and use of decommissioning funds were harmonised throughout the EU in such a way that ensures sufficient funds will be made available when required.

The nuclear industry recognises the EC's overall objectives of ensuring that adequate funding should be made available across the EU to meet all future financial decommissioning obligations and agrees that it is ultimately the responsibility of the licence holder, under the supervision of the national regulatory body, to ensure that decommissioning is carried out safely and efficiently.

FORATOM's Director General, Santiago San Antonio, gave the following reaction to the main points outlined in the Recommendation: "The safe management of nuclear facilities from start-up to decommissioning remains a priority for the nuclear industry. Decommissioning is already being successfully carried out in several EU countries and financing systems have been put in place. All external costs, including those to cover decommissioning and waste management are included in investment plans for the building of future nuclear units in Europe. This demonstrates how nuclear energy is one of the most competitive ways of generating CO<sub>2</sub>-free base-load electricity. However, financing models vary from country to country due to basic differences in operational, regulatory and legal requirements. The European nuclear industry does not favour any one model of financing as long as transparency of funding arrangements is maintained. We believe that greater harmonisation can be achieved if a flexible approach that takes into account differing operational, regulatory and legal requirements is adopted."

The issue of decommissioning will continue to grow in importance in the coming years, especially in light of the nuclear revival that is gathering momentum in a number of European countries. With this in mind, the nuclear industry welcomes the Recommendation's emphasis upon the need for continuing consultation and dialogue on decommissioning funds between the EC, Member States and operators.

For more information on the EC Recommendation can be found on the Europa website. Alternatively, you can contact Mark O'Donovan of FORATOM at: Tel.: 0476 98 42 18