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ANNEX

to the report by Mr Y. GALLAND

drawn up on behalf of the Committee on Energy,
Research and Technology

OPINION OF THE COMMITTEE ON BUDGETS

PE 86.679/fin./Ann.

O P I N I O N

of the Committee on Budgets

Draftsman: Mrs NIKOLAOU

On 21 September 1983, the Committee on Budgets appointed Mrs Nikolaou draftsman of the opinion.

The Committee considered the draft opinion at its meeting of 24 October 1983 and adopted it by 15 votes to 0 with 1 abstention.

The following took part in the vote: Mr Lange, Chairman; Mrs Barbarella, Vice-Chairman; Mrs Nikolaou, draftsman; Mr Abens, Mr Adonnino, Mr Arndt, Mr Barbagli, Mr Bonde, Mrs Boserup, Lord Douro, Mr Hord (deputizing for Mr R. Jackson), Mr Lalumiere, Mr Langes, Mr Louwes, Mrs Phlix (deputizing for Mr Croux), Mr Price, Mr Protopapadakis, Mr Saby and Sir James Scott-Hopkins (deputizing for Mr Balfour).

Introduction

1. The Commission set out the main themes of Community research for the 1984/87 period in its framework programme on which Parliament passed an opinion in June of this year⁽¹⁾ and Council a corresponding resolution in July.⁽²⁾ Each of these themes is now being transformed into a "research action programme" encompassing both the Communities' own direct research activities and indirect, shared-cost activities relevant to a particular subject. This opinion concerns the research action programme on nuclear fission.

2. The "research action programme" is a communication from the Commission to the Council. Formal decisions corresponding to this programme are contained in the multiannual 1984/87 JRC programme, on which a separate opinion is being prepared, and in individual programme decisions, of which those on reactor safety and on decommissioning need to be taken now (the remaining programme not covered is that concerning the disposal of waste, where an existing programme runs until the end of 1984; a decision on its replacement will be proposed in due course).

	<u>Research Action Programme</u>	
	<u>Direct actions</u>	<u>Shared-cost action</u>
	mECU (1983 prices)	
1. Reactor safety (plus implementation of Council resolution 22.7.75)	192.2 3.3	68.0 -
2. Nuclear fuel	65.7	-
3. Nuclear materials and waste disposal	48.9	43 + pm
4. Fissile materials	45.4	-
5. Decommissioning	-	11.0
	355.5	122.0
Grand Total		

These figures apply for the 1984/87 period, allowance having been made for those programmes which run, for example, to 1988 or 1989.

(1) OJ C 184, 1983

(2) OJ C 208, 1983

Level of resources envisaged

3. In its original proposal for the framework programme⁽¹⁾ the Commission indicated a figure of 540 mECU for developing nuclear fission energy. When this proposal was revised,⁽²⁾ that was reduced to 460 mECU in 1982 prices, and this was the figure annexed in Council's resolution.⁽³⁾

The amount estimated in the research action programme forming the subject of this opinion is 477.5 mECU, slightly lower than 460 mECU when allowance is made for inflation ($460 + 7\% = 492$). This discrepancy is unimportant in itself, although the Commission was drawing up the revised figures for the framework programme and the figures for the research action programme at the same time so a difference of 3% is unexpected and strengthens Parliament's view that any figure included in legislation can only be regarded as indicative.

4. The document outlining the research action programme contains neither a comparison with the level of expenditure in the past nor a year-by-year schedule for future expenditure. It is clear that direct actions continue at the same level as previously. This conforms with the conclusions of the Council meeting of 10 March 1983 and the proposed multiannual programme 1984/87 for the JRC⁽⁴⁾ where the expenditure on nuclear fission remains static in real terms (assuming 7% inflation) compared with the 1980/83 programme. For shared-cost activities, however, the following table shows the extent of the rise proposed:

	Payment approps. annual budgets 80-83 inc.	Research Action Programme 84-87, 1983 prices
Council Resolution 22.7.75	3.1 mECU	3.3 mECU
Reactor safety	5.4	68.0
Waste disposal	31.4	43.0
Decommissioning	<u>4.9</u>	<u>11.0</u>
	44.8	125.3

5. Even allowing for some inflation of the 1980/83 total so as to compare it with the 1984/87 total expressed in 1983 prices, it is clear that expenditure on these shared action programmes is to rise by $2\frac{1}{2}$ times in real terms, the bulk of that increase being on the reactor safety programme.

(1) COM(82) 865

(2) COM(83) 260

(3) OJ C 208, 1983

(4) COM(83) 327

6. It is true that Parliament's resolution on the framework programme approved an increased share of expenditure for research, and as this same resolution called for proposals concerning the JRC to be "realistic", a noticeable expansion in shared-cost actions is only to be expected. In this case, in a research action programme which comprises only 12% of the whole framework programme, this rise amounts to some 30 mECU per annum.⁽¹⁾ In the present circumstances of the approaching limit of own resources, it would be irresponsible to suggest that this money can easily be found.

Synchronisation of programmes

7. The framework programme and the research action programmes falling within it were intended to comprise a coherent complete package of decisions. Thus the period of the JRC multiannual programme, i.e. 1984/87, matches that of the framework programme but of the shared-cost actions in the nuclear fission field, only that concerning reactor safety is for the same 1984/87 period. After completion of the existing programme, a new programme for radioactive waste will run until 1989, and not having been finalised it contains spending options which differ by 25 mECU: this makes approval of the overall programme meaningless.

8. Similarly the programme on decommissioning does not correspond to 1984/87 but runs until 1988. The Commission recognises the necessity to have programmes synchronised but the introduction to COM(83) 298 says that such an integrated approval procedure is not immediately possible "for administrative reasons" without specifying what these are, hence the five years of the new programme. Unfortunately, it then goes on to admit that the first programme was run for four years only.

9. Under the present procedure, Parliament gives an opinion on the framework programme, on individual research action programmes corresponding to the main themes, on the JRC programme which contains elements of many of those research action programmes, and on individual proposals within

⁽¹⁾ This is an average for the 1984/87 period. The cost is limited in 1984, where the Commission asked for 15.3 mECU in the PDB for these shared-cost lines, and the Council entered 7.2 mECU in the DB. Over 90% of the cost occurs in the last three years.

the research action programmes. This causes great duplication of effort, and can only be rationalised if all the relevant proposals form a unified whole dealt with at one time.

Decommissioning of nuclear installations (Doc. 1-524/83)

10. This programme is a continuation of an existing programme, but expanded to include all types of installation and more practical testing of decommissioning techniques outside the laboratory. The previous programme (1979/83) was allocated 4.7 mECU plus three staff; the new proposal asks for 12.1 mECU and five staff. (This 12.1 mECU is the Community contribution covering 48% of the total cost of the programme. It corresponds to 11 mECU in 1983 prices.)

11. In view of the comments above about synchronising programmes, this programme should run for four years only and not five, and the estimated appropriations correspondingly reduced (commitments foreseen for 1988 were in any event small).

12. With regard to staff, the Commission seeks an additional engineer and a clerk. The engineer is needed for the new phase of practical testing of techniques. As to the clerk, the Commission (para. 3.3) says merely "the need for a clerk for this programme is obvious"! It may indeed be obvious, just as the "administrative reasons" for a five-year programme may be justified, but the Commission might be better advised to spell its needs out when presenting them to the budgetary authority.

Reactor safety (Doc. 1-528/83)

13. Hitherto the Community's effort in this field has been more or less confined to the JRC; the existing shared-cost programme is very small. For the 1984/87 period the JRC continues at roughly the same level as before but there is a very substantial expansion of the shared-cost programme. The Commission suggests that this new approach will help integrate the Community's research activities with those of the Member States and make them less centralised by providing a better balance between direct and shared-cost actions.

14. The Community share of the total cost is 50%, and page 4 of COM(83) 299 suggests that this will give "indirect support for national activities" whilst also providing the benefits of European cooperation. The Commission contribution to this programme is estimated as 81.3 mECU (68 mECU in 1983 prices) broken down as follows:

44.7 mECU	Light water reactor
29.9	Fast breeder reactor
4.1	Staff
2.6	Administration and meetings

Other matters

15. The research action programme contains a small amount (3.3 mECU) for implementation of the Council resolution of 22 July 1975 on technological problems of nuclear safety; this is roughly the same level of expenditure as before. This provides for studies etc. and is based not on a Council decision of limited life, but an indefinite resolution. The Commission does report periodically to Council but not to Parliament, which has nevertheless to agree the appropriations.

16. The estimated costs included in the proposed decisions on decommissioning and reactor safety are calculated as follows: the programme cost is calculated at today's prices, and annual inflation of 7% is assumed to give a total amount. Although there is no reason to doubt that 7% is an appropriate rule of thumb, the basis for its use should be spelt out. For the JRC, the Court of Auditors has criticised the amounts included in programme decisions, inter alia because the inflation assumptions were not specified, and the 1984/87 JRC programme provides for the decision to be taken in today's prices and the annual updating according to inflation to be detailed in the annual budget. Would this be appropriate for indirect action also, or does the present system (albeit "indicative") provide tighter control over costs?

Conclusions

17. The Committee on Budgets notes the contents of the research action programme on nuclear fission energy, and the proposed decisions on decommissioning and reactor safety programmes linked thereto, and

- (a) believes that a Community research policy, especially in the field of industrial technology, can be the driving force towards economic integration, just as the common agricultural policy was the motor for progress in the past;
- (b) regrets that the effort devoted to research on non-nuclear energy has not increased as rapidly as Parliament wanted; recalls that the framework programme embodied a balance of effort between different sectors, including between nuclear and non-nuclear research; points out that all aspects of the framework programme need to be vigorously pursued if that balance is to be maintained;
- (c) notes that elements of the research action programme on nuclear fission energy are not synchronised with the remainder or with the framework programme; believes that Parliament should be presented with a complete and coordinated package of proposals on which to comment; in the absence of such a package, cannot give an unqualified welcome to the research action programme;
- (d) welcomes the stress on research into reactor safety, and the better balance between direct and shared-cost action which results from the new programme on this subject;
- (e) considers that the Commission should report periodically to Parliament as well as to Council on the work undertaken pursuant to the Council Resolution of 22 July 1975 (on technological problems of nuclear safety), so that Parliament is informed when assuming its budgetary responsibilities.

PROPOSAL FOR A COUNCIL DECISION
adopting a programme of research on the decommissioning
of nuclear installations

Preamble and recitals unchanged

Article 1

A programme of research on the decommissioning of nuclear installations as defined in the Annex, is hereby adopted for a five-year period beginning 1 January 1984.

Article 1

A programme of research on the decommissioning of nuclear installations as defined in the Annex, is hereby adopted for a four-year period beginning 1 January 1984.

Articles 2, 3 and 4 unchanged

