

## TEXT OF FOE EUROPE LETTER TO ALL EUROPEAN COMMISSIONERS

Brussels, 26 February 2004

Dear ...

### **COMMISSION AGENDA: 24 MARCH 2004. FOR DECISION: EURATOM LOAN TOWARDS THE CONSTRUCTION OF THE CERNAVODA 2 NUCLEAR POWER PLANT, ROMANIA**

On behalf on Friends of the Earth Europe, *I am writing to ask you to postpone the above decision* until certain recommendations made below have been fulfilled. If the decision is not postponed, or the recommendations are not fulfilled, then the Cernavoda application should we believe be rejected. In support of this request, I make the following submissions:

1. Euratom loans are currently arranged in secret. There is as yet no requirement on the Commission to publicly register loan applications as they are received, nor to hold any kind of public consultation on applications that are in progress. Without the attainment of such a basic standard of openness and transparency, there is therefore no opportunity for citizens to either know of the existence of specific loan projects as they arise, or subsequently to participate in the decision making process in an appropriate, fair and reasonable manner. The principles of openness in public administration are enshrined in Article 1 of the Treaty of European Union and Article 255 of the Treaty of the European Community, but are strikingly absent in the area of Euratom loans as the Commission presently manages them.

*We therefore request and recommend that all subsequent applications for all types of EC loan finance require and/or trigger a notice to be published in the Official Journal and provide the opportunity for public participation and comment in the decision.*

2. Friends of the Earth Europe and several other organisations have requested access to and copies of the four specific assessment reports that have been completed to help the Commission reach its decision. We believe these reports (which were paid for by EU funds) should in general terms have been placed in the public domain as they were completed, accepting as we do that certain specific commercially-sensitive information may be excluded. However, so far, our formal requests for access to these documents have for the most part been rejected or ignored (contrary to Regulation 1049/2001.) Whilst we continue to seek these documents by due legal means (including a possible referral to the Ombudsman) and hope to make substantive submissions to the Commission if and where possible, the current situation has to date denied us our right to participate in this decision making process in good time before a final decision is taken.

*We therefore request and recommend that at least the reports on safety, economy and environment should be made accessible in full, including the right to have copies, and that there be a reasonable time period in which to comment on their contents.*

3. Friends of the Earth Europe has also sought to confirm a number of facts of the Cernavoda project, such as the capital value of the loan under consideration and its specific purpose. DG ECFIN has refused to release the loan value. Whilst we accept that at an *early* stage in any negotiation this may not be possible. (The Cernavoda case has spread over nearly 5 years.) However it is absurd to suggest that at this late stage no figure for the capital sum exists or that it should remain confidential. It is a basic tenet of any decision about public policy and the allocation of public resources that the sums of money involved are known openly *before* as well as after the political authority takes its decision. There are we believe no grounds for DG ECFIN keeping the value of the loan secret.

*We therefore request and recommend the Commission should immediately issue a statement*

setting out the basic details of the Cernavoda proposal, and of any other Euratom loan proposals it may be currently be considering in secret.

4. The claim that Euratom Loans (in certain countries including Romania) are linked to the improvement of efficiency and safety has not been demonstrated and so cannot be tested. Neither specific details of any particular loan project have ever been made public nor have any criteria against which proposals are judged. In the present case, we do know that the reactor is of a Canadian design that has already been licensed for use elsewhere around the world and is not considered to be dangerous by the authorities in those territories. This leads us to the conclusion that the qualifying criteria are at best arbitrary and at worst minimal or non-existent. Given the all pervading secrecy that exists with Euratom loan projects, EU citizens could be forgiven for seeing the safety-claim as no more than a sham that is exploited to lever cheap finance for propping up an otherwise uneconomic and uncompetitive nuclear sector.

We therefore request and recommend that the Commission establishes and publishes clear criteria for the granting of Euratom Loans on safety grounds, and states in the case of each project, how the criteria are fulfilled.

5. The Euratom lending instrument, established under Regulation 1977/270, can only be used for nuclear projects. There is no equivalent instrument in the EU institutions for lending to other types of energy development, including renewable and sustainable energy options. This is not only unfair, but also a clear distortion of the single market and a barrier to open and fair competition, contrary to the general approach to EU economic and industrial policy as set out in the treaties.

We therefore request and recommend that the Commission initiates a fundamental review of the Euratom lending instrument with a view to (i) acting fairly with respect to all energy options; (ii) ensuring that only genuine and publicly identifiable safety measures on existing reactors are funded, and (iii) does not rule out the possibility that the instrument could be entirely withdrawn.

6. The Euratom Community and Treaty are themselves outdated and entirely inappropriate to be maintained within the framework of a new constitutional treaty. The aspirations expressed in the 2001 Laeken Declaration will be undermined if the IGC does not address and resolve the structural Euratom issues at a strategic level. EU citizens will inevitably cast more doubt over a primary law based on two treaties and not one, as some Members of the Commission tacitly acknowledged in the 2002 Penelope document.

We therefore request and recommend that the Commission use all its available influence to press the European Council and the Ministers participating in the IGC to widen the review process for the Euratom Community and Treaty beyond just its administrative functions. This review process should be completed before the Constitutional Treaty is subject to ratification by member states.

These are important matters that I hope you will see fit to act on accordingly. Thank you for your time in considering them.

Yours sincerely,

**Mark Johnston**  
**FRIENDS OF THE EARTH EUROPE**