

Remarks by Dr. H. Michaelis

Since I have the opportunity to speak on behalf of the European Communities, I would like to make the following remarks:

The European Community is dependent on imports for 56% of their energy supplies. This is where our position differs from that of the United States. Our concern to safeguard our energy supplies is therefore well justified. It is a decisive aim of our energy policy to achieve a limited measure of independence regarding the supply of enriched uranium.

This aim includes two actions:

- 1) Our endeavors to improve the supply conditions from the United States.

I participated in the Enrichment Services Seminar last week in Oak Ridge, sponsored by the A.E.C. I believe that we can find satisfaction in the declaration of Commissioner W. E. Johnson, announcing a new policy adopted by the Commission to cover supply requirements for enrichment services for periods as far as five years in advance of actual needs. The Commission of the European Communities will attentively examine these new regulations. However, the main reason for our apprehension is not the actual or future A.E.C. supply policy for security or supply of enriched uranium. It is rather the endeavors to turn over at least part of the American enrichment capacity to private hands.

There is no doubt that the realization of existing commitments will be guaranteed. But that is not much. For example, if privatisation is effective in 1972, then the supply requirements for about 5000 MWe nuclear capacity in the Community will be committed and guaranteed. On the other hand, during the following 8 years, from 1973 to 1980, in the European Community about 25000 MW nuclear capacity depending upon supplies from

the U.S.A., will be installed. This is five times the capacity just mentioned. It is understandable that these facts are inducing Community consumers to request a discrimination for long term supply for the new requirements after the effectiveness of the privatisation is achieved. Perhaps a partial privatisation of the existing capacity or a step-by-step privatisation is a solution, as proposed by Mr. Covey.

2) The second action, to obtain greater independence regarding the supply of enriched uranium, is reflected in our endeavors to dispose of our own European Enrichment plant in the future. The Council of Ministers of the Community decided on December 8, 1967 to set up a working party to examine this problem. In addition to the previously mentioned aim to improve the supply conditions for enriched uranium coming from the United States, the working party studied two questions:

- the requirements of the Community expressed in units of separation working
- the technical and economical parameters of a hypothetical enrichment plant

Our estimates of nuclear capacity installed in the European Community by 1980 currently indicate values in the range of 40000 to 60000 MWe. Using a working hypothesis under which two thirds of this capacity is assumed to be light-water reactors, requirements of separation work in 1980 between 40 and 6.4 million units can be predicted. The upper range corresponds roughly to the actual capacity of one of the three existing American plants. Therefore, considering the requirements, the disposal of our own plant coming into operation at that time seems justified.

We believe that our European plant will have/better conditions for a long-term full employment than an American plant: in 1980 the Community will dispose

of less quantities of Plutonium --considering the limited plans for the construction of converters. Hence Plutonium Recycling in both thermal reactors and breeders will reduce the need for separation work for the reactor programs after 1980.

Otherwise, the working party looked into the decisive technical and economical parameters for such a plant, particularly the following:

- the specific investments needed per unit of annual capacity;
- the consumption of electricity per unit of separation work;
- the cost of electricity production;
- the annual capital charges including interest on capital, depre-
ciative charges and taxes.

These studies refer to the three processes developed in Community Member States:

- gaseous diffusion
- ultra-centrifugation and
- jet separation

Based on the report of this working party, expected for the end of this year, the Commission of the European Communities intends to propose further studies in order to reach a decision in a foreseeable future. These studies will mainly concern:

- the choice of process
- the timing
- the legal structure of such an enterprise
- the sales policy.