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 N. 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 privatization 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 MWe nuclear capacity depending upon supplies from
the U.S.A., will be installed. This is five times the capacity just men-
tioned. It is understandable that these facts are leading 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 40,000 to 60,000 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 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-
ciation 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.