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THE EUROPEAN COMMUNITY

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FOR IMMEDIATE RELEASE

**U.S. AND EURATOM SIGN FUEL CONTRACT IN
\$200 MILLION PROGRAM**

WASHINGTON, D. C., September 24 -- The United States Atomic Energy Commission was scheduled to sign today in Brussels a contract with the Supply Agency of the European Atomic Energy Community (Euratom) providing for the nuclear fuel supply of the SELNI (Societa Electro-nucleare Italiana) pressurized water reactor, now under construction near Milan.

Similar contracts are now being negotiated to provide fuel for the SENA pressurized water reactor in France and the German KRB reactor. The 20-year fuel requirements for these three reactors as well as for the Italian SENN reactor, for which contracts were signed in 1962, are valued at more than \$200 million.

Following the signing of the AEC-Euratom agreement, Euratom contracted with SELNI on the use and consumption of the \$73 million worth of fuel which will be delivered over a 20-year period. Under the Euratom Treaty, the Community retains ownership of all special fissionable materials in the Community. The Supply Agency has the exclusive right to conclude supply contracts for all such materials in the Community, whether produced there or imported.

The AEC-Supply Agency contract provides for the supply of up to 8,000 kg of contained U.S. U-235 uranium for the SELNI reactor. It includes a system of deferred payments over a 10-year period for the operating inventory of the reactor. The Euratom-SELNI agreement covers the responsibilities of the two parties growing out of the transfer of the U.S. uranium to SELNI. The Italian company would return residual U-235 in irradiated fuel elements.

These transactions are taking place under the terms of the 1962 amendments to the 1958 US/Euratom agreement and the Additional Agreement concluded in 1960 which permit the use of 30 tons of fissile materials for a wide range of peaceful projects in the Community.

Recently an amendment to the Additional Agreement was signed which, upon an exchange of notes, will permit quantities above the 30-ton limit to be made available to the Community. It also extended by 10 years, to 1995, the period during which this fuel may be supplied.

Fernand Spaak, Director-General of the Euratom Supply Agency and John Erlewine, Senior USAEC representative and Deputy for Euratom Affairs in the U.S. Mission to the European Communities, signed the basic contract. The contract with SELNI was signed by I. G. Valerio of SELNI and Mr. Spaak.

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