

## NEW WORLD

# Painful Transitions

THE proposal of the US Atomic Energy Commission to increase the price of uranium enrichment services met determined opposition in the hearings of the Congress Joint Committee on Atomic Energy last week. Uranium enrichment—the essential operation which separates U235 from U238 in the preparation of fuel for nuclear reactors—is at present performed exclusively by the three government-owned gaseous diffusion plants at Oak Ridge (Tennessee), Paducah (Kentucky) and Portsmouth (Ohio). Fuel is supplied to many other countries as well as to government and industry in the United States. President Nixon announced last November that the AEC was to operate these facilities in a more commercial manner. According to the new proposal, the AEC would in future base its charges for uranium enrichment on what separative work would cost in a new enriching plant utilizing advanced technology and designed and operated for the primary purpose of meeting civilian power requirements. The gaseous diffusion plants now in use were constructed for military work, and are operated on the basis that the government should receive “reasonable compensation” for running them.

The new charges would increase the price of enrichment by just over 10 per cent from \$26 to \$28.70 per unit of separative work. First, however, Congress must agree to revise the criteria under which the plants now operate. Some members of the joint committee have already said that they are not prepared to recommend this course. Senator A. Gore announced during the hearing that he had written to the President to request that the revised criteria should be withdrawn. Because nuclear power competes against other sources of power, an increase in the price of uranium fuel would encourage inflationary increases in other power supplies. But are the proposed revisions a scenario to pave the way for the government to sell the gaseous diffusion plants to industry? This was the charge made by Mr Chet Holifield, chairman of the joint committee, and also by Senator Gore and Mr Hosmer. Indeed, in his statement last November, President Nixon said that the federal government’s responsibility for uranium enrichment should eventually be ended and such services should be undertaken as a commercial activity of private industry.

Is the demand to raise prices intended just to make the plants more attractive as a purchase for industry? Mr W. E. Johnson, Commissioner of the AEC, testified that this was not so. The costs of separative work were rising and an increase in prices would be necessary even under the existing criteria. As it happened, although the proposed new price had been worked out under the new criteria, very much the same price would result from reapplication of the old criteria. But Mr Holifield pointed out that the existing criteria give the AEC the right to increase its prices to a maximum which is at present \$32.82 per separative

unit of work. And if the intention of the administration was to sell the diffusion plants, added Mr Hosmer, they could think again; no one would want to buy them.

Members of the joint committee said many times that the whole basis for working out the charges under the new criteria is unrealistic—Mr Holifield went so far as to say that the new criteria are made of rubber and based on phoney hypothetical predictions. This point was taken up by Mr D. K. Crowther, Assistant Director of the General Accounting Office, who agreed that the new price was reached by making no less than ten assumptions of how a commercial plant would run, and the AEC, he said, would need an awfully good crystal ball to be able to make such predictions.

The present commitments of the plants for supplying enriched uranium are only just within their capacities. Increased separative capacity will be required soon, and Mr Johnson implied that the government will not provide this but that private industry would have to. He also said, however, that much of the required additional capacity could be provided by expanding the facilities at Paducah rather than building a new plant—and this would yield a cost some \$5 less per unit of separative work. If extra finance were required, Mr Hosmer suggested, the best course would be to bring in other countries on an intergovernmental basis rather than to turn over uranium enrichment to industry.

### ATOMIC ENERGY COMMISSION

## Candidate for Dismemberment

REPORTS that the Atomic Energy Commission may be broken up or at least drastically changed by the recommendations of the Ash commission have flared up again in the past few weeks, chiefly because of the renewed interest being taken in the shape of the commission by a group of Senators and Congressmen. So far, it seems, there is nothing but wishful thinking to sustain these speculations, although the relationship between the Atomic Energy Commission and the newly proposed Environmental Agency has yet to be adequately defined. Hitherto, the Atomic Energy Commission has necessarily been the chief sponsor of innovation in nuclear power and also the regulatory body for deciding when and how nuclear power stations may be safely built. It would be logical that this function at least should be transferred to the Environmental Agency, and it is quite likely that the AEC would be glad to be rid of this responsibility. Some of the schemes now being floated would have the Atomic Energy Commission’s responsibility for the development of nuclear power subsumed within a larger agency responsible for all types of energy production. Another issue is whether the responsibility of the AEC for