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Barrasso Calls for Oversight of Uranium Trader Following Former DOE Official Poneman Appointment

Senator sends letter to Secretary Moniz in response to Department of Energy testimony before the House Oversight and Government Reform Committee.

WASHINGTON, D.C. – Today, U.S. Senator John Barrasso (R-WY) sent a [letter](#) to Energy Secretary Moniz in response to the Department of Energy’s (DOE) testimony at yesterday’s hearing before the House Oversight and Government Reform Committee.

At the [hearing](#), a DOE official indicated that DOE does not review uranium contracts involving the Traxys Group, a uranium commodities trader, which recently [appointed](#) former Deputy Secretary of Energy Daniel Poneman to its Board of Directors.

Since 2011, DOE has transferred roughly \$900 million of publicly-owned uranium which has financially benefitted Traxys.

In the letter, Barrasso outlines how it is especially important that DOE examine these transactions now that Mr. Poneman has joined Traxys. DOE must ensure that these uranium transactions do not benefit Traxys at the expense of the American public.

“According to Traxys, the uranium that DOE transfers to Fluor B&W and which Fluor B&W then sells exclusively to Traxys has made Traxys ‘a top 10 supplier of uranium to the world market.’ It is therefore deeply troubling that Traxys appointed to its Board Mr. Poneman who led DOE as it initiated the uranium transfers which have financially benefitted Traxys. For that reason, DOE must not turn a blind eye to the terms under which Traxys acquires this uranium. Instead, DOE should condition all future transfers of uranium to Fluor B&W on the requirement that Fluor B&W publicly disclose its contract(s) with Traxys. Only by fully disclosing the contract(s) will DOE be able to show that it puts the interests of the American public ahead of all others,” Barrasso

wrote.

Full text of the letter below:

April 23, 2015

The Honorable Ernest Moniz

Secretary
U.S. Department of Energy
1000 Independence Ave., S.W.

Washington, D.C. 20585

Dear Secretary Moniz:

I write to express my significant concern about recent testimony indicating that the Department of Energy (DOE) does not conduct oversight of transactions of uranium between Fluor-B&W Portsmouth LLC and the Traxys Group. Since 2011, DOE has transferred roughly \$900 million of publicly-owned uranium which has financially benefitted these two private companies. It is especially important that DOE examine these transactions now that Daniel Poneman, former Deputy Secretary of Energy, has joined the Board of Directors of Traxys. DOE must ensure that these uranium transactions do not benefit Traxys at the expense of the American public.

For years, DOE has failed to request that Congress provide the funding necessary to cleanup DOE's gaseous diffusion plant in Piketon, Ohio. In July 2009, DOE announced it would use excess supplies of publicly-owned uranium to finance cleanup efforts at this facility. Between December 2009 and March 2011, DOE transferred around \$200 million of uranium to USEC Inc. in exchange for cleanup services at the site. In June 2011, DOE switched contractors from USEC to Fluor-B&W. Since then, DOE has provided Fluor-B&W roughly \$900 million of uranium in exchange for cleanup services at the facility. During this time, Traxys, a metal commodities merchant, has been the exclusive buyer of the uranium that DOE has provided to Fluor-B&W.

In September 2011, the Government Accountability Office (GAO) found that DOE's transfers of publicly-owned uranium to USEC and Fluor-B&W in exchange for cleanup services at the Piketon facility violated federal law. While I understand DOE has addressed some of GAO's concerns, I continue to have questions about DOE's recent and proposed uranium transfers to Fluor-B&W.

Specifically, how can DOE know that the American public is receiving full value of the uranium it transfers to Fluor-B&W if it does not know the terms under which Fluor-B&W sells that uranium to Traxys? Isn't DOE receiving far less than the full value of the public's uranium given that both Fluor-B&W and Traxys are traders in, not consumers of, uranium?

According to Traxys, the uranium that DOE transfers to Fluor-B&W and which Fluor-B&W then sells exclusively to Traxys has made Traxys "a top 10 supplier of uranium to the world market." It is therefore deeply troubling that Traxys appointed to its Board Mr. Poneman who led DOE as it initiated the uranium transfers which have financially benefitted Traxys. For that reason, DOE must not turn a blind eye to the terms under which Traxys acquires this uranium. Instead, DOE should condition all future transfers of uranium to Fluor-B&W on the requirement that Fluor-B&W publicly disclose its contract(s) with Traxys. Only by fully disclosing the contract(s) will DOE be able to show that it puts the interests of the American public ahead of all others.

Thank you for your consideration and I look forward to your prompt response.

NOTE: On March 12, 2015, Senator Barrasso [wrote](#) Secretary Moniz expressing his serious concern about Mr. Poneman's appointment as President and CEO of Centrus Energy Corp., formerly known as USEC Inc.

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