

MESTEÑA URANIUM, L.L.C.

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January 15, 2015

VIA EMAIL AND FIRST CLASS MAIL

Mr. David Henderson
U.S. Department of Energy
Office of Nuclear Energy
Mailstop NE-52
19901 Germantown Road
Germantown, Maryland 20874-1290

RFI-UraniumTransfers@hq.doe.gov

RE: Office of Nuclear Energy, Department of Energy; U.S. Excess Uranium Management

Dear Mr. Henderson:

Mesteña Uranium LLC (Mesteña) is a United States based uranium mining and exploration company with in situ uranium recovery facilities located in south Texas. Mesteña appreciates the opportunity to provide the Department of Energy with comments relating to the Department's request for comments as posted in the December 8, 2014 Federal Register.

Mesteña supports those comments submitted to the Department of Energy by the Uranium Producers of America (UPA) as well as those comments submitted by the Texas Mining and Reclamation Association (TMRA).

Mesteña is concerned that the Department of Energy continues to misinterpret its mandate from Congress. The Department is charged with ensuring its transfers do not have an adverse material impact on the domestic uranium industry. The USEC Privatization Act does not permit DOE the discretion to justify its transfers on the basis that the Department's transfers have less of an impact relative to other market factors. DOE should solely examine the impact of its transfers on the domestic uranium industry. The direct consequences to the uranium and conversion industries from DOE transfers in 2012-2014 include direct financial losses, production cut backs, employment losses, and significant share price reductions. In addition, the lack of predictability has made it difficult for U.S. producers to raise capital to sustain and grow operations.

Mesteña, however, believes that DOE actions must be conducted in a transparent manner and that DOE should incorporate the following steps into the process so as to meet its mandate from Congress to not have an adverse impact on the domestic uranium production industry.

- **Publish future Secretarial Determinations in the Federal Register for public comment before being finalized**

- **Subject any DOE-sponsored market analysis to peer review**
- **Reinstate an annual cap on transfers (Mesteña supports UPA's recommendation of a 5 million pound cap that would be phased in over five years)**
- **Reform how the material enters the market by utilizing the expertise of the uranium industry to feed the material into long-term contracts**
- **Prohibit barter contracts that commence before or extend after the time period covered by a Secretarial Determination**

While Mesteña has a positive long-term outlook for the nuclear production/power industry, we face more difficult years ahead as the nuclear industry continues to recover from the impact of Fukushima. This Administration has clearly indicated that nuclear power is an essential and vital component in America's current and future electrical generation requirements and further expansion of the entire nuclear energy cycle from mining to conversion to electrical generation to waste disposal must be aggressively undertaken so that this Administration can be "walking the walk" as it pertains to this Administration's stance on climate change.

Thank you again for seeking input regarding the Department's management of the federal excess uranium inventory. We hope this is the starting point of a more productive and transparent dialogue between our industry and the Department as you go forward.

Respectfully Submitted,



Peter Luthiger
Vice President
Mesteña Uranium LLC

Mr. David Henderson
January 15, 2015
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xc: *Via Email or First Class Mail*

The Honorable Dr. Ernest Moniz, Secretary, U.S. Department of Energy
The.Secretary@hq.doe.gov

The Honorable John Cornyn, U.S. Senator
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Washington, D.C. 20510

The Honorable Ted Cruz, U.S. Senator
ted@tedcruz.org

The Honorable Joe Barton, U.S. Congressman
2107 Rayburn House Office Building
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The Honorable Michael Burgess, U.S. Congressman
2336 Rayburn House Office Building
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The Honorable Blake Farenthold, U.S. Congressman
1027 Longworth House Office Building
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The Honorable Henry Cuellar, U.S. Congressman
2209 Rayburn House Office Building
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The Honorable Ruben Hinojosa, U.S. Congressman
2262 Rayburn House Office Building
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The Honorable Filemon Vela, U.S. Congressman
437 Cannon House Office Building
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