



Wyoming County Commissioners Association

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January 22, 2015

The Honorable Ernest Moniz
Secretary
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, D.C. 20585

Dear Secretary Moniz:

On behalf of the Wyoming County Commissioners Association (WCCA), an organization representing the Boards of County Commissioners for all 23 of Wyoming's counties, I am writing in response to the Department of Energy's (DOE) request for information regarding the management of the federal excess uranium inventory. We appreciate the recent actions of you and your agency with respect to reopening dialogue on the management of excess uranium. In particular, we are grateful that you made an intentional effort to meet with and hear the concerns of representatives of the uranium mining industry and local governments while you were in Wyoming.

As local elected officials, we are charged with the health, safety and economic well-being of the people who choose to live and work in the counties where uranium production either exists or has the potential to exist. Wyoming is the leading producer of uranium in the United States, and the leading exporter of energy of any state. The continued vibrancy of our extractive industries is extremely important to us in order to provide the essential services and quality of life our constituents expect of us.

We are all too familiar with the market driven boom-and-bust cycles inherent in places blessed with enormous reserves of natural resources like Wyoming. The uranium mining industry in Wyoming is no stranger to facing difficult market events well outside of their control. That is why we take a keen interest in the actions of the DOE with respect to this industry in Wyoming. While the market is unpredictable and global events can cause instability overnight, our own federal government should make every effort to be a predictable actor in the market and to provide for the kind of stability that helps domestic producers thrive. We are concerned that in recent years the DOE has instead contributed to uncertainty and instability, and we respectfully request that as you collect information in this RFI and move toward a new management regime that you return to a collaborative effort to reasonably cap the amount of material entering the marketplace.

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The RFI asks “What factors should DOE consider in assessing whether transfers will have an adverse material impact.” We defer to and associate ourselves with the expert comments offered by the Uranium Producers of America on the best ways to determine if the DOE’s uranium transfers “will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry.”¹ We are also cognizant of the fact that the plain language of the USEC Privatization Act is that it is the DOE’s responsibility to determine impact on the industry alone, not other entities. Despite this fact, we believe that the DOE would be well served to analyze the potential impacts to local government revenue when uranium prices push producers to mothball production plans, lay off hard-working Wyoming citizens, or shut their doors entirely.

The uranium industry in Wyoming has persevered in the face of many challenges. Some of the uranium mining companies have reported reduced production below nameplate capacity while they wait for prices to improve. Because local governments operate on much smaller margins, limiting production that would otherwise occur is felt more acutely in our communities. This is revenue not available for essential services incumbent upon local governments to provide.

Simultaneous to the reduced revenue that would otherwise be available, the continued layoffs of uranium miners put great strains on local governments to provide social services to these miners and their families. We are very concerned that the DOE’s own analysis projects an additional reduction in employment if transfers continued unabated.² While the DOE’s actions cannot be blamed for the entirety of the market crash in uranium prices and subsequent negative impacts to local governments, transfers of excess inventory certainly exacerbate the problem. As it is only the DOE’s actions that can be reasonably controlled, we believe that the federal government has an obligation to be a predictable, stable actor in the marketplace for the health of an industry our constituents depend upon.

For these reasons we respectfully request that as the DOE meets its obligations under the USEC Privatization Act it consider adverse impacts to local governments. We also urge the DOE to work in good faith to establish reasonable and predictable caps on material transfers into the marketplace. As we have been with the federal land management agencies for many years, the members of the WCCA stand ready to be partners with the DOE and all industry stakeholders to develop a reasonable path forward. Thank you for your attention to this important matter.

Sincerely,



Richard Ladwig
President, Wyoming County Commissioners Association
Commissioner, Niobrara County, Wyoming

¹ USEC Privatization Act (P.L. 104-134)

² Energy Resources International, *2014 Review of the Potential Impact of DOE Excess Uranium Inventory on the Commercial Markets*, April 25, 2014.