

Congress of the United States
Washington, DC 20515

May 23, 2016

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

Dear Secretary Moniz:

We write to restate our concerns about the Department of Energy's (DOE) so-called "barters" of excess uranium. DOE's barters have contributed significantly to an oversupply of uranium in the world market. Since December 31, 2015, the spot price of uranium has fallen by as much as 20 percent. This drop in prices has resulted in large workforce reductions in the United States, including the elimination of 85 jobs announced by Cameco Resources last month. For this reason, we ask you to immediately suspend DOE's barters of excess uranium until the uranium market recovers. A temporary suspension of barters is a practical step that DOE can take to ease the financial pressure on America's uranium producers and help stem future job losses.

According to UxC, a market monitor, worldwide uranium production in 2015 was 158 million pounds. Secondary sources, including DOE, put an additional 44 million pounds of uranium on the market. Meanwhile, global demand for uranium in 2015 was about 196 million pounds or 6.38 million pounds below total supplies. In response, U.S. uranium producers reduced output by 33 percent, from 5 million pounds to 3.33 million pounds, between 2014 and 2015. As a result, employment among U.S. uranium producers collapsed. DOE's own data show that employment fell by 21 percent (or 162 jobs) in 2015 – to "the lowest [level] since 2004." These figures are *in addition to* the 369 jobs lost in 2014 and do *not* include the jobs lost since January 1, 2016.

While U.S. uranium producers reduced output, DOE *increased* the amount of uranium it put on the market between 2014 and 2015. Last year, DOE transferred over 8 million pounds of uranium to its contractors in exchange for decommissioning and downblending services.¹ That is *25 percent more than the total excess supply* in the world market in 2015. It is also more uranium than that which every other country produced with the exceptions of Kazakhstan, Canada, Australia, and Niger. In 2016, DOE is scheduled to put at least another 5.49 million pounds of uranium on the market. While we welcomed DOE's decision to barter less uranium this year compared to 2015 levels, market conditions now warrant that DOE suspend barters altogether.

America's uranium producers should not be forced to compete with their own government for market share. At a minimum, their jobs should not be put at risk because DOE insists on using uranium as its currency of choice. We acknowledge the importance of decommissioning DOE's gaseous diffusion plant in Piketon, Ohio. We also recognize the importance of downblending our surplus stocks of highly enriched uranium. However, as urgent as these needs are, DOE has a *statutory obligation* to ensure its uranium barters do not harm America's uranium producers. It

¹ UxC's figure of 8.002 million pounds for 2015 includes TVA Bleu material.

should thus use *appropriated funds* to pay contractors for decommissioning and downblending services – and, at the very least, do so as long as current market conditions prevail.


We understand that DOE has bartered at least 1.67 million pounds of uranium already this year. We ask that DOE suspend all future barter and use unobligated balances of appropriated funds to pay for decommissioning and downblending services until the uranium market recovers. If DOE needs to seek supplemental appropriations for this purpose, we are willing to assist you in that effort. Finally, we ask you to convene a meeting of all relevant stakeholders to discuss the 2017 Secretarial Determination, a new long-term excess uranium management plan, and ways that DOE can minimize the impact of its barter on America's uranium producers.

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

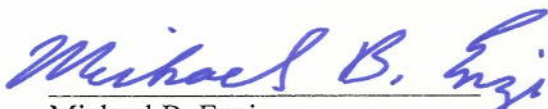
Sincerely,



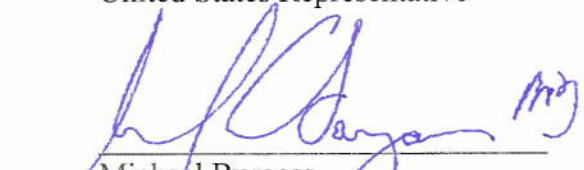
John Barrasso, M.D.
United States Senator



Cynthia M. Lummis
United States Representative



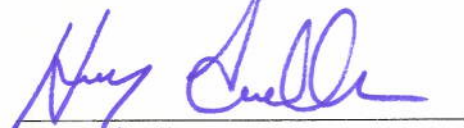
Michael B. Enzi
United States Senator



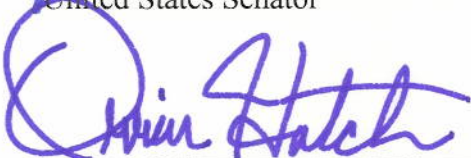
Michael Burgess
United States Representative




Jeff Flake
United States Senator




Henry Cuellar
United States Representative



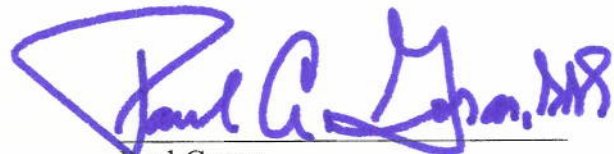
Orrin G. Hatch
United States Senator



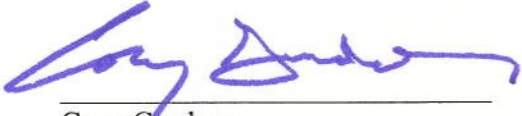
Blake Farenthold
United States Representative



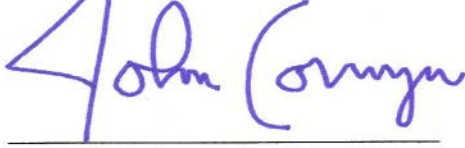
Deb Fischer
United States Senator



Paul Gosar
United States Representative



Cory Gardner
United States Senator



John Cornyn
United States Senator



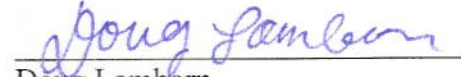
Steve Pearce
United States Representative



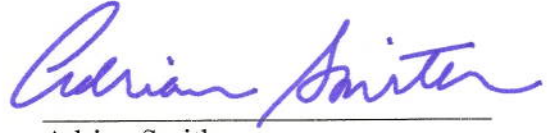
Scott R. Tipton
United States Representative



Rubén Hinojosa
United States Representative



Doug Lamborn
United States Representative



Adrian Smith
United States Representative