

Congress of the United States
Washington, DC 20515

February 19, 2015

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

Dear Secretary Moniz:

We write regarding the Department's management of its excess uranium inventory and the impact of transfers on America's uranium mining, conversion, and enrichment industries. While we appreciate that the Department is for the first time ever soliciting formal public input regarding uranium transfers, we write to request that any future Secretarial Determination be subject to a rulemaking with full notice and comment consistent with section 553 of the Administrative Procedure Act.

Under the USEC Privatization Act (P.L. 104-134), the Department has a legal obligation to determine that uranium transfers will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industries. But the process for making such determinations has been plagued by a lack of transparent and reasoned decision-making. In the past, the Department has relied on an economic analysis from Energy Resources International (ERI) to justify its determination that the transfers do not adversely impact domestic industries. The ERI's most recent analysis concluded that currently proposed uranium transfers will result in an additional 8 percent drop in the uranium spot price and a 12 percent cut in the conversion market. ERI also concluded the transfers will reduce employment in the uranium industry by 4 percent. Yet unlike ERI's four previous uranium market reports, the 2014 analysis "does not make any conclusion regarding whether or not the release of DOE inventories into the commercial markets will result in an adverse impact."¹ It is unclear what evidence DOE used to make its decision that the transfers did not adversely impact American markets, particularly since DOE officials told the Government Accountability Office (GAO) that the Department contracted with ERI to "provide subject matter expertise that did not exist within DOE and trusted ERI to provide that expertise."²

This lack of transparency is unacceptable considering the disruptive effect of the Department's uranium transfers on an American uranium industry already facing steep challenges. American uranium exploration and development was down 53 percent in 2013 compared to 2012, all while the United States is forced to import the lion's share of the uranium needed by our electrical utilities. Yet the Department is moving forward with a plan to sell more uranium than the entire American industry produces on an annual basis. At a bare minimum, the Department should


¹ Energy Resources International, *2014 Review of the Potential Impact of DOE Excess Uranium Inventory on the Commercial Markets*, p. 85 (April 25, 2014).


² U.S. Government Accountability Office, *Enhanced Transparency Could Clarify Costs, Market Impact, Risk, and Legal Authority to Conduct Future Uranium Transactions (GAO-14-291)*, p. 46 (May 2014).

afford the public the full complement of public notice and comment provided for under the law to make the management of this taxpayer asset as transparent and predictable as possible.


Thank you for your consideration. We look forward to your timely response.

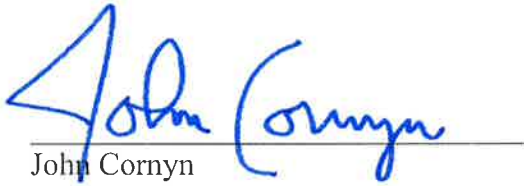
Sincerely,


John Barrasso, M.D.
United States Senator


Cynthia M. Lummis
United States Representative


Michael B. Enzi
United States Senator

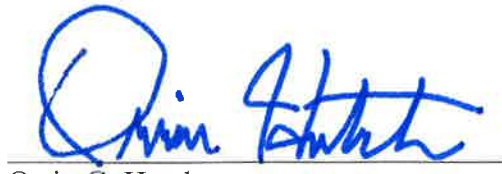

Henry Cuellar
United States Representative


John Cornyn
United States Senator


Michael Burgess
United States Representative


Deb Fischer
United States Senator

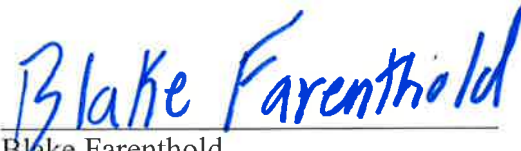

Rubén Hinojosa
United States Representative


Orrin G. Hatch
United States Senator


Doug Lamborn
United States Representative



Cory Gardner
United States Senator



Blake Farenthold
United States Representative



Adrian Smith
United States Representative



Scott Tipton
United States Representative



Paul Gosar
United States Representative



Ken Buck
United States Representative