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United States Department of Commerce  
International Trade Association  
Washington, DC 20230

Submitted online using ACCESS

Re: Request for Comments on 2016 Export Limit Adjustments; Agreement  
Suspending the Antidumping Investigation on Uranium from the Russian  
Federation

To whom it may concern:

On behalf of the Uranium Producers of America (UPA), the national trade association representing the domestic uranium industry, we are writing in opposition to the proposed 2016 export limit adjustment for uranium from the Russian Federation entering the U.S. market.

Before addressing two key areas where the Department's assessment is deficient, it is important to understand the state of the uranium industry. The uranium and conversion industries are struggling to survive. The spot uranium price on October 1, 2016 dropped to \$22.25 per pound U3O8 (TradeTech), a nearly 70 percent drop from January 2011 and the lowest price seen since 2005. Long-term prices have been impacted as well, dropping from \$70 to \$38 per pound U3O8. The uranium and conversion markets continue to suffer with persistent oversupply from price insensitive sources and limited uncommitted demand. In response to these adverse market conditions, the U.S. industry has lost about half of its workforce since 2012 and halted production at various mine sites. As reported by the EIA, domestic uranium production has declined by 32 percent between 2014 and 2015 and is down another 29 percent in the first half of 2016. In this environment, any additional uranium entering the market will have a devastating impact on the domestic industry.

**Assessment Fails to Account for Lower Nuclear Capacity and Fuel Requirements**

As you know, the Department of Commerce is required to adjust the annual export limits based on projected nuclear reactor demand for the subsequent years. It is our understanding the Department is basing its assessment on the data included in the World Nuclear Association's (WNA) 2015 report on global nuclear fuel supply and demand. While the WNA report does factor in six reactors that have either been shut down or announced their planned shutdown, an

additional five reactors have announced closures in the 2015-2020 period that were not assessed as part of the WNA's 2015 report. These reactors include:

<b>Reactor Closure Announcements NOT Included in WNA's 2015 Assessment</b>				
<b>Reactor Name</b>	<b>Owner</b>	<b>State</b>	<b>Announcement Date</b>	<b>Closure Date</b>
Fort Calhoun	Omaha Public Power District	Nebraska	June 2016	Dec 2016
Clinton	Exelon	Illinois	June 2016	June 2017
Quad Cities 1	Exelon	Illinois	June 2016	June 2018
Quad Cities 2	Exelon	Illinois	June 2016	June 2018
Pilgrim	Entergy	Massachusetts	Oct 2015	May 2019

**Assessment Overestimates Uranium Requirements**

In addition to failing to account for additional U.S. reactors going offline, the Department's proposal uses a higher tails assay than the Global Nuclear Fuel Supply Demand publication issued by the WNA. Using a higher tails assay would allow significantly more Russian uranium to enter the United States than is allowed under the export limits set forth in the Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation, as amended in 2008 ("Agreement"). Section IV.B.1 in the Agreement states: "The Department shall adjust these export limits in 2016 and 2019 to match the projected reactor demand for subsequent years in that publication." The most recent WNA publication specifies the enrichment and uranium projected requirements are based on .22 tails assay. Yet, the Department is using .3 tails assay, which is not correct when calculating the Low Enriched Uranium requirements outlined in the Agreement.

Using .3 tails assay requires 17.8% more LEU than using the .22 tails assay applicable in the reference WNA Enrichment Requirements (calculated using 4.4% U-235 as outlined in the Agreement). In terms of contained U3O8 in the LEU, using the higher tails assay would allow an additional export quantity from the Russian Federation averaging over 3.7 million pounds/year through 2020. For context, 3.7 million pounds is equivalent to the total amount of uranium produced in the U.S. in 2015. In 2017-2020 the total amount of contained U3O8 would exceed 15 million pounds U3O8 if the Department continued to use the incorrect tails assay of .3 versus the correct tails of .22 in calculating the export limits as outlined in Section IV.B.1 in the Agreement.

UPA appreciates the opportunity to provide input on the proposed 2016 export limit adjustment and would welcome the opportunity to answer any questions or provide additional

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data as needed. We realize that the Department cannot halt the entry of the Russian Federation uranium into the U.S. market, but we do ask that you use all the available data to limit the amount to the absolute minimum.

Yours very truly,

A handwritten signature in black ink, appearing to read "Jon J. Indall". The signature is fluid and cursive, with a large initial "J" and "I".

Jon J. Indall  
Counsel, Uranium Producers of America

JJI/tf

## Confirmation of Electronic Submission

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### Comments

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