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United States Senate

June 2, 2014

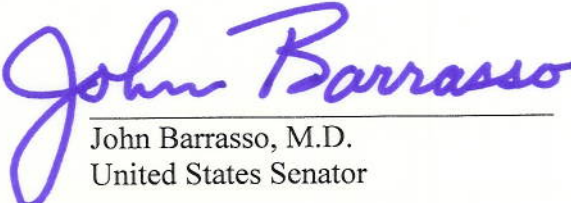
The Honorable Monica Regalbuto
Deputy Assistant Secretary for Fuel
Cycle Technologies
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Deputy Assistant Secretary Regalbuto:

On May 14, 2014, I submitted six written questions for you to answer as part of the record of your nomination hearing before the Senate Energy and Natural Resources Committee. I noticed you renumbered and then proceeded to ignore two of my questions and were unresponsive to a third question. I am therefore resubmitting these questions for you to answer.

On May 15, 2014, the Department of Energy issued yet another Secretarial Determination authorizing additional uranium transfers. I have therefore included three new questions on this matter for you to answer. Please refrain from renumbering any of my questions and provide a detailed response to each of them. Thank you in advance for your consideration.

Sincerely,


John Barrasso, M.D.
United States Senator

RESUBMITTED AND SUPPLEMENTAL QUESTIONS FOR THE RECORD

05.13.14: Full Committee Hearing to consider the nominations of Dr. Suzette M. Kimball, Mr. Estevan R. Lopez, and Dr. Monica C. Regalbuto.

FROM SENATOR BARRASSO

Dr. Regalbuto

Question 2. On May 15, 2012, Secretary Chu issued a Secretarial Determination authorizing uranium transfers from DOE.

During your tenure at the Office of Nuclear Energy, did you have any role in the May 15, 2012 Secretarial Determination or any work that served as a basis for that determination? If so, please fully describe your role.

Question 3. Secretary Chu's May 15, 2012 Secretarial Determination states that the authorized sales and transfers of uranium "will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industries."

Since May 15, 2012, the U.S. spot price of U3O8 has fallen over 44 percent, from an estimated \$52/lb. on May 15, 2012 to \$29/lb. on May 9, 2014. I understand that is the lowest price for U3O8 since July 2005. It is also less than the \$36.57 that the Energy Information Administration (EIA) says it costs to produce a pound of U3O8 in the U.S and far less than the \$62.41 that EIA says it costs to produce a pound of U3O8 in the U.S. when total expenditures (excluding exploration costs) are considered.

On May 1, 2014, EIA released its 2013 Domestic Uranium Production Report. That report explains that there has been over a 19 percent drop in employment in uranium exploration and mining between 2011 and 2013.

Do you believe Secretary Chu's Secretarial Determination has proven correct and that the sales and transfers of uranium authorized on May 15, 2012 have not had an adverse material impact on the uranium mining industry in the U.S.? If so, why?

Question 5. If your answer to Question 4 is yes, what, if any, steps would you take to: (A) ensure that any future transfers, barter, or sales of uranium comply with section 3112(d)(2)(B) of the USEC Privatization Act (42 U.S.C. 2297h-10(d)(2)(B)); and (B) increase the transparency of future transfers, barter, or sales of uranium?

*Question 7. On May 15, 2014, Secretary Moniz issued a Secretarial Determination authorizing additional uranium transfers from DOE.

During your tenure at the Office of Nuclear Energy, did you have any role in the May 15, 2014 Secretarial Determination or any work that served as a basis for that determination? If so, please fully describe your role.

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05.13.14: Full Committee Hearing to consider the nominations of Dr. Suzette M. Kimball, Mr. Estevan R. Lopez, and Dr. Monica C. Regalbuto.

*Question 8. Secretary Moniz's May 15, 2014 Secretarial Determination states that the authorized sales and transfers of uranium "will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industries."

The basis for the May 15, 2014 Secretarial Determination would appear to be a study on the market impacts of these uranium transfers prepared by Energy Resources International, Inc. (ERI) on April 25, 2014. However, the April 25th study reads as follows: "this market impact assessment does not make any conclusion regarding whether or not the release of DOE inventories into the commercial markets will result in an adverse material impact."

Notably, ERI's market impact studies for uranium transfers authorized under Secretarial Determinations dated November 10, 2009, March 15, 2011, May 15, 2012, and March 15, 2013 explicitly found that such uranium transfers would not have an adverse material impact on domestic uranium industries.

If ERI's April 25th study did not make any conclusion about whether or not the uranium transfers authorized in the May 15, 2014 Secretarial Determination would have an adverse material impact on domestic uranium industries, what is the basis of the May 15, 2014 Secretarial Determination finding that such transfers will not have an adverse material impact on domestic uranium industries?

*Question 9. Did the Department of Energy request or in any way suggest that ERI refrain from making any conclusion about whether or not the uranium transfers authorized in the May 15, 2014 Secretarial Determination would have an adverse material impact on domestic uranium industries? If so, why?

*Supplemental questions.