



Cynthia M. Lummis
Congress of the United States
Wyoming

February 4, 2014

The Honorable Ernest Moniz
Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Moniz:

We write to express our concern about the Department of Energy's (DOE) recently issued Excess Uranium Inventory Management Plan as well as ongoing transfers of the federal inventory into the market. These developments are particularly concerning at a time when uranium prices are at seven-year lows and domestic producers are struggling to survive.

Before DOE can sell or transfer uranium from the federal stockpile, the 1996 USEC Privatization Act requires a Secretarial Determination that the sale or transfer will not adversely impact the domestic uranium and conversion industries. Yet, in May 2012, the Department signed off on a plan that allows the Department to sell or transfer more than two times the total amount of uranium that is produced by the domestic industry in a given year.

We are not opposed to DOE's disposition of the federal uranium stockpile, but the disposition should be orderly, predictable, and designed to limit the effect on domestic producers. We request more information about DOE's analysis of the effect of the May 2012 determination and the new management plan on the domestic industry. We specifically request the following:

- Please explain how DOE's uranium sales and transfers are not having an adverse material impact on the domestic uranium mining, conversion, or enrichment industries.
- Did the May 2012 determination consider current market conditions, including lower prices following the Fukushima event?
- Did the May 2012 determination consider the production costs of domestic producers?
- How is DOE ensuring taxpayers receive fair value for the disposition of the federal uranium inventory? What percent is sold in the spot market as opposed to using long-term contracts?
- In the Excess Uranium Inventory Management Plan, DOE states it remains committed to maintaining a strong domestic uranium industry. Please explain how DOE is going to accomplish this commitment.

We are very concerned about the impact of DOE's recent and planned uranium sales and transfers on the domestic industry. While we recognize the DOE's actions are not completely

responsible for the current depressed market prices or recent job losses, we believe it is disingenuous for DOE to claim its actions are not having an adverse impact on the industry. In summary, the DOE's management plan is inconsistent with the USEC Privatization Act. We urge the DOE to ensure that any future transfers do not adversely impact the domestic production and conversion industries. We encourage DOE to reconsider its recent management plan and look forward to a timely response to our requests.

Sincerely,


Cynthia M. Lummis
Member of Congress


Rubén Hinojosa
Member of Congress


Stevan Pearce
Member of Congress


Jim Matheson
Member of Congress


Michael C. Burgess
Member of Congress



Gene Green
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Blake Farenthold
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Adrian Smith
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Joe Barton
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