

Austin American-Statesman

Stop Punishing America's Nuclear Energy

Feb 4, 2015

By Mario Loyola - Special to the Austin American-Statesman

Every sector of American industry faces onerous regulatory burdens. But few face the peculiar problem of uranium producers: The federal agency with principal jurisdiction over their activities is also their main competitor.

That's a problem for several reasons. Armed with enormous uranium inventories of its own, the Department of Energy has been ignoring federal law and driving America's uranium producers to the brink of bankruptcy. And that includes several Texas companies where hundreds of Texans work.

The nuclear industry supplies 19 percent of America's electricity needs. Nuclear energy is the only electricity source as cheap as coal, and it has zero carbon emissions. And yet the federal government has impeded the development of a healthy, competitive industry. As a result, though the U.S. has among the world's largest uranium reserves, which just a few decades ago supplied nearly all of America's domestic uranium needs, U.S. uranium producers now account for less than 5 percent of America's needs.

As the Soviet Union collapsed, the U.S. agreed to take the excess uranium from old Soviet nuclear warheads and make it usable in civilian nuclear reactors. Together with uranium from a large number of decommissioned U.S. warheads, that left the Department of Energy with a large inventory of uranium to dispose of.

Under federal law, the department is supposed to release its uranium over several decades. But the law prohibits "dumping" uranium on the market if there will be an adverse impact on uranium prices. The law also requires that proceeds from the sale of taxpayer assets go to the general treasury to prevent agencies from cashing in on our assets to skirt the normal appropriations process.

According to the Government Accountability Office, the Energy Department has been ignoring all of these legal requirements. In the course of several large transactions over several years, the department has dumped more uranium than the market can handle. It has done so at a time of low prices, when uranium producers are already hurting. The department has failed to follow the requirements for a determination of no adverse impact under federal law.

Moreover, the department has been using these sales to fund cleanup activities at retired uranium enrichment plants in Kentucky and Ohio, operations that are supposed to be funded through the normal appropriations process.

Like most sectors of our economy, the nuclear energy industry is in desperate need of streamlined regulations. The role of government is to protect health and safety without needlessly taking food off the table of America's working families, who ultimately bear the cost of all regulations. The Department of Energy also needs to stop taking unfair advantage of its uranium stockpile to profit at the expense of private industry. And Texas should also do more to streamline its regulations.

U.S. industry already faces more regulations and higher taxes than its foreign competitors. In addition, federal policy has imposed extraordinary burdens and risks on the nuclear industry. This all adds up to a significant advantage for foreign competitors, at the expense of American jobs. It's time to let the nuclear industry compete on a level playing field, before it's too late.

[Loyola is a senior fellow](#) at the [Texas Public Policy Foundation](#) and the author of ["The Need for Nuclear Regulatory Reform."](#)