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VIA EMAIL: OIRA_Submission@omb.eop.gov

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Dear Ms. Angelini:

**Comments on Convention on Supplementary Compensation for Nuclear Damage
Contingent Cost Allocation, Notice of Proposed Rulemaking: 79 Fed. Reg. 75076
(December 17, 2014)**

Introduction

On December 17, 2014, the Department of Energy ("DOE") issued a Notice of Proposed Rulemaking ("NOPR") to establish regulations under Section 934 of the Energy Independence and Security Act of 2007 ("EISA"). Section 934 addresses how the United States will meet its obligations under the Convention on Supplementary Compensation for Nuclear Damage ("CSC") and, in particular, its obligations to contribute to an international supplementary fund in the event of certain nuclear incidents outside the United States.

These comments in response to the DOE NOPR are submitted on behalf of Cameco Resources, which operates in situ recovery uranium mining operations in Nebraska and Wyoming, and Cameco Inc., which sells uranium on behalf of Cameco Corporation outside of Canada (collectively "Cameco").

Cameco appreciates the opportunity to provide comments on the issues raised by DOE and supports the DOE's efforts to implement the retrospective risk pooling program. As discussed below, Cameco believes that producers and providers of uranium concentrates and UF₆ conversion services, whether directly or as an intermediary, should be excluded from the definition of "nuclear supplier" under the statute and DOE's regulations.

Discussion

By letter dated November 29, 2010, Cameco provided comments on DOE's Notice of Intent to develop regulations to implement EISA Section 934. In that Notice of Intent, DOE specifically solicited comments on whether implementation of Section 934 would be facilitated by further clarifying in regulations the definition of terms, including "nuclear supplier." Cameco recommended that DOE clarify that persons such as Cameco, that produce, distribute, or re-sell only natural uranium concentrates or that provide or re-sell UF₆ or conversion services, whether directly or as an intermediary, are not a "nuclear supplier" within the scope of EISA.

Section 934(b)(7) of the EISA defines "nuclear supplier" as a covered person (or a successor in interest of a covered person) that (A) supplies facilities, equipment, fuel, services, or technology pertaining to the design, construction, operation, or decommissioning of a covered installation; or (B) transports nuclear materials that could result in a covered incident. Under the CSC, natural uranium is not "fuel." Article 1 of the CSC Annex defines nuclear fuel as any material that is "capable of producing energy by a self-sustaining chain process of nuclear fission." The U₃O₈ or UF₆ produced from mining or conversion are chemical products containing only natural uranium. Natural uranium concentrates are not capable of creating a self-sustaining chain reaction without extensive special processing or precisely controlled conditions. The natural material must still be enriched in order to concentrate the fissile material to be useful for fuel, and then must be fabricated into fuel suitable for use in a specific reactor. Accordingly, the statutory definition of nuclear supplier does not include producers of natural uranium concentrates or providers or marketers of UF₆ conversion, whether directly or as an intermediary.

In the current NOPR, DOE directly addresses comments such as Cameco's related to the uranium mining, milling, and conversion industries:

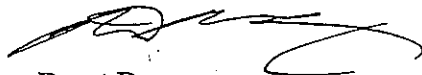
. . . the Department concludes that the definition of "nuclear installation" does not include radioactive waste disposal facilities or uranium mining, milling, and conversion facilities. Uranium mining, milling and conversion facilities do not fall within the definition of "nuclear installation" as they do not involve the use of nuclear fuel or nuclear material as defined in the [CSC]. In addition, DOE agrees that suppliers of natural or depleted uranium or uranium conversion services are not suppliers of fuel and thus not nuclear suppliers that would be subject to the requirements of this proposed rule.

76 Fed. Reg. at 78082. The proposed regulation (Section 951.3) would simply adopt the definition of "nuclear supplier" from EISA Section 934(b)(7).

Conclusion

Cameco appreciates DOE's clarification in the NOPR regarding the application of EISA Section 934(b)(7) to the uranium mining, milling, and conversion industries. Cameco fully supports that clarification for the reasons discussed above. Cameco requests that DOE maintain the same level of clarity on the issue in the final rule — whether by express incorporation in the language of the regulation or by clear statement of intent in the rulemaking notice. Cameco would be pleased to respond to any questions related to this submission.

Yours truly,



Brent Berg
President, Cameco Resources