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September 19, 2016

Ms. Cheryl Moss Herman
U.S. Department of Energy
Office of Nuclear Energy
Mailstop NE-52, B-409
19901 Germantown Road
Germantown, MD 20874-1290

Subject: Excess Uranium Management: Effects of DOE Transfers of Excess Uranium on Domestic Uranium Mining, Conversion, and Enrichment Industries;
Request for Information, 81 FR 46,917 (Jul. 19, 2016)

Dear Ms. Moss Herman:

On behalf of the U.S. nuclear energy industry, the Nuclear Energy Institute (NEI¹) appreciates the opportunity to provide comments on the Department of Energy's July 19, 2016, Request for Information on the effects of DOE transfers of excess uranium on the domestic uranium mining, conversion, and enrichment industries. Individual NEI members also will provide specific comments. We commend DOE for again taking action to solicit industry-wide input to the Secretarial Determination process.

We take the opportunity to remind DOE of the immeasurable benefits for our society which the applications of nuclear energy have produced over the past 70 years – including research, medical and industrial uses, naval propulsion and power production. Nuclear power plants aid compliance with the Clean Air Act of 1970, which set standards to improve the nation's air quality. Using more nuclear energy gives states additional flexibility in complying with clean-air requirements. Nuclear energy provides more than 60 percent of America's clean-air, carbon-free electricity, producing no greenhouse gases or air pollutants. Further, nuclear energy is a key element in maintaining the fuel and technology diversity of the electric generation sector that has served the nation so well over the years.

¹ NEI is responsible for establishing unified nuclear industry policy on matters affecting the nuclear energy industry, including regulatory, financial, technical and legislative issues. NEI members include all companies licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, materials licensees, and other organizations and individuals involved in the nuclear energy industry.

NEI and its members depend on reliable, safe production of uranium as the critical first step in producing fuel for nuclear generation. The domestic uranium mining industry currently only produces about seven percent of the annual requirements of the U.S nuclear generating fleet. As the Department considers future steps in disposition of its excess uranium inventory, we reiterate our exhortation that the Department should use an approach that provides long-term predictability and transparency in its inventory management program. We recommend that DOE update its 2013 Excess Uranium Inventory Management Plan, including identification of possible future additions to the inventory that could eventually be subject to transfers into the commercial market.

Under the terms of the USEC Privatization Act, no sale or transfer of natural or low-enriched uranium is to be made unless "the Secretary determines that the sale of the material will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry." We recognize that DOE is committed to discharging that statutory obligation. The manner in which DOE material is introduced into the market affects the level of impact on the domestic industry as well as the value received for the material. The industry believes that establishing the annual amounts to be transferred, adhering to the established quantities and, where possible, entering into long-term contracts will help DOE to fulfill its commitment and provide a good value to DOE and the taxpayer.

In a May 5, 2014, letter to Secretary Moniz, NEI noted that the industry supports the timely and efficient clean-up of all of the Department's facilities, including the gaseous diffusion plants (GDPs). We recommended that the clean-up efforts be fully funded through Congressional appropriations rather than a combination of Congressional appropriations and bartering of excess uranium inventory, and urged the Department to request sufficient funding annually for the clean-up efforts to proceed on the Department's desired schedule, thereby mitigating the need to barter excess inventory if the requested appropriations are provided. We continue to believe that appropriated funds should be pursued.

As for the D&D fund for the clean-up of the GDP facilities, NEI will continue to strongly oppose any plan to reinstate the uranium enrichment decontamination and decommissioning tax. The industry has twice paid its share of the funds necessary to clean-up the GDP facilities – payment was received as part of the price for DOE uranium enrichment services from the facilities, then again under the Energy Policy Act of 1992. Customers of U.S. nuclear energy should not be singled out yet again to pay a tax for clean-up of Energy Department facilities developed for nuclear weapons and national defense programs.

The nuclear industry remains committed to working with DOE to help obtain adequate Congressional appropriations to ensure that clean-up efforts can be accomplished effectively. A carefully managed, predictable and transparent regime for inventory transfers can support DOE's objectives and help the domestic nuclear fuel supply industry supply the operating reactors. A viable domestic industry would support the growth of commercial nuclear power in the United States that will be instrumental in meeting our nation's electricity needs reliably as well as the Administration's climate change goals.

September 19, 2016

Page 3

Thank you for your consideration of these comments.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Suzanne R. Phelps". The signature is written in black ink and is positioned below the text "Sincerely yours,".

Suzanne R. Phelps