



March 20, 2017

Via email: RFI-UraniumTransfers@hq.doe.gov

Ms. Cheryl Moss Herman
U.S. Dept. of Energy
Office of Nuclear Energy
Mailstop NE-32
19901 Germantown Rd.
Germantown, MD 20874-1290

Re: New Secretarial Determination covering potential continued transfers of uranium for cleanup services at the Portsmouth Gaseous Diffusion Plant

Dear Ms. Moss Herman:

The United Steelworkers (USW) represents nearly 1,000 members who work at the Portsmouth Gaseous Diffusion Plant site, all of whose livelihoods depend upon the successful resolution of the funding issues connected with the ongoing cleanup of the site, of which the barter program has traditionally been an important part. The USW, one of the largest unions in the U.S. nuclear fuel complex, represents workers at six additional DOE nuclear sites. Overall its 850,000 members work in a wide variety of U.S., Canadian, and Caribbean manufacturing and service industries, and is the largest union in several of these.

The USW firmly believes that the viability of the Portsmouth plant cleanup effort, the economic prospects of the businesses that conduct the work, and the nearly 2,000 people whose livelihoods depend on the work going forward there need to be fully taken into account, if a true analysis of the barter sales on the industry is to be carried out.

In our view, the largest possible impact on the industry as a whole would be if the barter program were to be curtailed and at the same time Congress

were to decline to make up the funding gap. The cleanup would stop. Not only would the businesses conducting the work be severely impacted, but the massive job loss would devastate those nearly 2,000 families and deliver a crippling blow to the economy of Southeast Ohio.

Furthermore, thousands of years of site knowledge and expertise would be lost were the cleanup effort to go dark. This would all but guarantee the eventual cleanup would take longer than otherwise, and as a result likely would cost considerably more over the longer-term than if the effort were allowed to continue.

Economic Context

The barter program was running well and the global market for uranium was strong, until the 2011 Fukushima disaster that led to the shutdown of the entire Japanese nuclear power industry. Even now, six years later, well over 90 percent of the Japanese nuclear power industry remains off line. Because of this, the uranium market shifted to a buyers' market, and the price of uranium dropped to levels very close to, and sometimes below the cost of production. Industry experts predict that eventually increased use of nuclear power in China, India, and elsewhere in Asia, as well as the return over time of Japanese reactors, will put the market back into balance, and cause the price of uranium to rise to a viable level. If such new demand is not swamped by new supply, this would be a likely scenario.

Nevertheless, however likely, this scenario is some years into the future, and will not help uranium producers now. It is very clear from the DOE's analysis of the current situation that while continuing the barter program is not positive for the mining side of the industry, the harm overall pales next to the devastation that would be caused by a collapse of cleanup work at the Portsmouth site.

Predictability of Funding

Funding of the Portsmouth site has been on a roller coaster since the aftermath of Fukushima, with funding from the barter program chronically falling short, putting hundreds of jobs at risk, with the difference made up of

one-time emergency Congressional appropriations, which cannot be guaranteed with absolute certainty in any given year. It is essential, for the proper continuation of the cleanup work at Portsmouth that such funding as is available from the barter program be consistent and predictable. This also would allow Congressional appropriators to accurately gauge an appropriate ongoing level of appropriations needed to make up the gap between what the barter program provides, and what is needed to keep the work going.

Summary

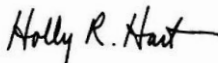
We believe the cleanup at Portsmouth is a crucial part of DOE's mission, and its viability must be taken fully into account in the analysis DOE will do leading up to the new secretarial determination. We believe a predictable continuation of the barter program is the most viable way currently available to increase the possibility this can be the case. It also will enhance the agency's ability to secure additional needed funding from Congress over the medium and longer term. Most of the current difficult state of the domestic uranium industry is caused by the poor state of the global market for the fuel.

Discontinuation of the barter program will help this segment of the industry very little, which must be set against the grievous harm that would be done were the cleanup effort at the Portsmouth site to be disrupted.

Specifically, the USW asks that the Secretarial Determination follow the path set forth in the DOE's Scenario 3, which allows the strongest contribution to the work at the Portsmouth site of the three scenarios listed.

Thank you very much for this opportunity to comment.

Sincerely,



Holly R. Hart
Assistant to the President
Legislative Director

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

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