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May 5, 2014

The Honorable Ernest Moniz
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Moniz:

On behalf of the U.S. nuclear energy industry, the Nuclear Energy Institute¹ (NEI) appreciates the opportunity to provide comments on the Department of Energy's excess uranium inventory management efforts.

The Department of Energy (DOE) is obliged to complete a new Secretarial Determination this year on the continued sale of uranium from the federal stockpile. As the Department considers future steps in disposition of its excess uranium inventory, we urge the Department to utilize an approach that provides long-term predictability and certainty in its inventory management program.

We recognize that DOE is required by law to minimize any adverse material impact on the domestic uranium industry from its release of excess inventory, and is committed to discharging that statutory obligation. The manner in which new material is introduced into the market can either mitigate or exacerbate the real or perceived impact on the domestic industry. The industry believes that establishing the amounts to be transferred on an annual basis, adhering to the established quantities and, where possible, entering into long-term contracts will help DOE to fulfill its commitment.

The industry supports the timely and efficient cleanup of all of the Department's facilities including the gaseous diffusion plants (GDPs). These clean-up efforts should be fully funded through Congressional appropriations rather than a combination of Congressional appropriations and bartering of excess uranium inventory. We, therefore, urge the Department to request sufficient funding annually for the

¹ The Nuclear Energy Institute (NEI) is the organization responsible for establishing unified industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all entities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, nuclear materials licensees, and other organizations and entities involved in the nuclear energy industry.

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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.

As for the D&D fund for the cleanup of the GDP facilities, 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. NEI will continue to oppose strongly any plan to reinstate the uranium enrichment decontamination and decommissioning tax.

The industry appreciates the size and complexity of the many programs that DOE must lead. We are committed to working with DOE to help ensure that these efforts can be accomplished effectively. A carefully managed, predictable regime for inventory transfers can support DOE's objectives and help ensure that the domestic uranium production industry continues to supply the operating reactors and is poised to support the growth of commercial nuclear power in the United States that will be instrumental in meeting our nation's electricity needs reliably and the Administration's climate change goals.

Sincerely,



Marvin S. Fertel

c: The Honorable Daniel Poneman, U.S. Department of Energy
The Honorable Peter B. Lyons, Office of Nuclear Energy
The Honorable David Huizenga, Office of Environmental Management
Mr. James Owendoff, Office of Environmental Management
Mr. A. David Henderson, Office of Uranium Management and Policy