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UPA PRESIDENT TESTIFIES IN SUPPORT OF SENATE EFFORT TO REVITALIZE THE DOMESTIC NUCLEAR FUEL CYCLE

Washington, DC – Today, Uranium Producers of America President and Chief Operating Officer of Energy Fuels Resources Paul Goranson testified before a U.S. Senate Committee on Environment and Public Works (EPW) hearing in support of the *American Nuclear Infrastructure Act*, draft legislation released by EPW Chairman John Barrasso (R-WY) to help revitalize the domestic uranium industry and reclaim American nuclear leadership globally.

Below are Mr. Goranson’s remarks as prepared for delivery:

“Chairman Barrasso and Ranking Member Carper, thank you for holding this hearing on the American Nuclear Infrastructure Act of 2020. I am the President of the Uranium Producers of America, the trade association representing the domestic uranium mining and conversion industry. I am also the Chief Operating Officer for Energy Fuels Resources, and I have worked in the U.S. uranium industry for over 30 years. The UPA strongly supports this bill, which will help reclaim America’s leadership in global nuclear markets.

“As I was starting my career, the U.S. led the world in uranium production, employing over 20,000 workers and supplying almost all our own nuclear fuel, and we were a net exporter of uranium.

“Today, commercial reactors in the U.S. import more than 90 percent of annual demand and less than one percent of the uranium they use is mined in the United States. This has left domestic production on the brink of collapse.

“Earlier this year, the multi-agency Nuclear Fuel Working Group recommended immediate government actions to address the predatory market tactics of state-owned uranium enterprises.

“U.S. mined production in 2019 is the lowest since 1949. The U.S. mined only a fraction of the uranium needed to fuel even one of our 95 commercial nuclear reactors. Employment is at an all-time low, we are almost entirely dependent on imported uranium, and we rely heavily on strategic competitors to sell us uranium.

“Uranium imports from countries in the Former Soviet Union: Russia, Kazakhstan, and Uzbekistan, represent almost half of the fuel used by America’s nuclear reactor fleet.

“Let me be clear – we have more than ample uranium supply in the U.S. We have over 40 million pounds of licensed and partially licensed capacity, almost enough to fuel America’s entire commercial nuclear fleet.

“When normal market forces are in play, U.S. mines are cost-competitive globally. We have abundant, high-quality uranium resources for the future.

“The challenge today for any free market uranium company, whether in the U.S., Canada, or Australia, is that we are not competing with other free-market companies. We are competing with governments that seek to use energy as political capital.

“State-owned enterprises are not price sensitive. When global prices plummeted a decade ago, free market companies were forced to reduce production and lay off workers, while Russia, Kazakhstan, and Uzbekistan increased their production, drove down prices, and took control of global supply chains.

“The potential expiration of the Russian Suspension Agreement at the end of 2020 will only hasten the demise of the U.S. industry. The agreement already guarantees Russia 20 percent of the U.S. market, but Russia has already contracted to increase imports significantly should the agreement expire.

“The UPA strongly supports the Commerce Department’s efforts to extend the RSA with protections for the domestic industry, as well as legislation to codify more restrictive limits on Russian uranium. We appreciate the support of Chairman Barrasso in leading a bipartisan effort to reign in Russian uranium imports.

“It’s not just Russia, China is increasingly dumping underpriced uranium onto the global market. Data from the Departments of Energy and Commerce show that tens of millions of dollars’ worth of Chinese uranium has entered U.S. reactors in recent years.

“The U.S. must immediately take bold action to preserve a domestic supply chain for nuclear fuel in the United States.

“The UPA strongly supports the draft American Nuclear Infrastructure Act. Section 402 would codify the Nuclear Fuel Working Group’s proposal to establish a Strategic Uranium Reserve. This reserve would ensure domestic uranium supply in the event of a market disruption and reduce our reliance on state-owned enterprises.

“The Department of Energy’s Fiscal Year 2021 budget requests \$150 million for the uranium reserve, a modest investment considering it will preserve the nuclear fuel cycle in the U.S., instead of ceding it to Russia, China, and their allies.

“The UPA also supports the U.S. nuclear fleet, our nation’s largest source of carbon-free, baseload power. Section 301 of the draft bill would provide financial incentives to prevent the premature shutdown of nuclear power facilities.

“We appreciate the draft’s recognition that such facilities should be buying American uranium, and we look forward to working with the committee to strengthen this requirement and ensure that nuclear power facilities receiving taxpayer funds procure U.S.-mined and -converted uranium.

“Also, codifying the recent MOU signed by the EPA and NRC would further strengthen this legislation by providing certainty and robust, effective regulation of in situ uranium recovery.

“Thank you again Chairman Barrasso, Ranking Member Carper, and Members of the Committee. I look forward to your questions and working with the committee to address these important issues.”

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