

September 30, 2019

The Honorable Robert C. O'Brien
Assistant to the President for National Security Affairs
United States Nuclear Fuel Working Group
The White House
Washington, D.C. 20500

The Honorable Lawrence A. Kudlow
Assistant to the President for Economic Policy and Director of the National Economic Council
United States Nuclear Fuel Working Group
The White House
Washington, D.C. 20500

Dear Sirs:

We welcome the President's decision to establish the United States Nuclear Fuel Working Group, and we appreciate your leadership in chairing this effort. The Working Group presents an important opportunity to strengthen U.S. national security and energy security at the same time in the face of declining U.S. uranium production as detailed in the President's July 12 2019 memorandum.

The task at hand is to restore and revitalize America's domestic nuclear fuel production capabilities that are needed for national security purposes. The most straightforward way to accomplish this goal is to resume production of enriched uranium for national security missions – which would necessarily restart the entire domestic supply chain. The Departments of Energy and Defense should work together to identify short and long-term national security requirements for enriched uranium, and then engage the private sector on a competitive basis to mine, convert, and enrich uranium for those missions.

The use of foreign-origin nuclear fuel for national security purposes has long been prohibited because it would undermine the U.S. commitment to respecting "peaceful use" obligations imposed by foreign governments, and because those nations would have the right to deny us the use of the material for missions they did not approve of. Thus, to fuel our submarines and aircraft carriers, produce tritium for nuclear weapons, and other key missions, America requires a steady supply of uranium that was mined in the United States and then converted and enriched using U.S.-origin technology.

Unfortunately, this domestic supply chain has been eroding since the late 1970s. Once the largest exporter of nuclear fuel, America has become the world's largest importer. U.S. uranium production is now less than 5 percent of U.S. commercial reactor requirements. The sole U.S. uranium conversion plant has been shuttered since 2017. The last of the U.S. government's enrichment plants shut down for economic reasons in 2013. As the Administration's 2018 Nuclear Posture Review noted, the United States now lacks the ability to "produce or process" enriched uranium for national security purposes.

Prices on the global nuclear fuel market have declined 50 to 70 percent in the years since Fukushima, and sales of uranium, conversion, and enrichment are increasingly dominated by foreign, state-owned corporations that benefit from a range of subsidies, government-backed loans, trade protections, and other advantages. In this environment, relying on market forces alone to restore vital national security capabilities is not a winning or logical strategy.

Without an enrichment plant suitable for national security missions, the Department of Energy has been drawing upon a finite stockpile of enriched uranium left over from the Cold War. This, in turn, has only accelerated the deterioration of the domestic nuclear fuel supply chain. To break this vicious cycle before it is too late, we should restart production now.

While national security requirements represent only a fraction of the overall market, they could provide a stable foundation upon which the industry could rebuild itself. An industrial base built for defense purposes can, and often does, grow and expand to meet commercial needs.

One such opportunity is fueling the next generation of nuclear reactors that will be built around the world over the next few years – including, we hope, in the United States. Many of these reactors will require an advanced reactor fuel called High-Assay, Low-Enriched Uranium, which is not commercially available today. Our goal should be to lead the global market in building and fueling these reactors, but we are unlikely to succeed in the former if we lack the capability to do the latter. We should pursue this not only for the economic and environmental benefits – which will be substantial – but also because America’s influence on nonproliferation has always depended upon our status as a key supplier of reactors and fuel.

We need only to look at our own history to see how and why this model can succeed. Starting in the 1940s, the United States developed a large-scale industrial capacity to mine, convert, and enrich uranium to build weapons. Under President Eisenhower’s “Atoms for Peace” initiative, these capabilities fueled the development of the civilian nuclear power industry. In 1956, as the first commercial nuclear reactor in Shippingport, Pennsylvania neared completion, President Eisenhower pledged that \$1 billion worth of nuclear fuel produced by the government’s enrichment plants would be made available to meet the needs of the civilian nuclear power industry.¹ The assurance of a reliable fuel supply was critical to the ability of U.S. utilities to raise and spend private capital to build the world’s largest fleet of reactors – a fleet that continues to power our economy with emissions-free energy to this day.

If the United States expects to meet its long-term national security and energy security requirements, and to maintain a strong role in global nonproliferation efforts, we cannot allow our nuclear fuel supply chain to continue to atrophy. It is time to get back in the game and start producing again.

We, the undersigned, as business community leaders, former public officials, and members of the foreign policy and national security communities, thank you for undertaking this important challenge.


Sincerely yours,



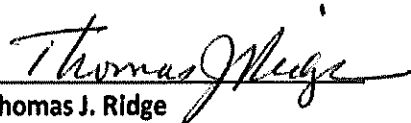
Mark A. Bloomfield
President and Chief Executive Officer
American Council for Capital Formation

¹ Statements Issued by White House on Allocation of Uranium 235, February 22, 1956, reproduced in the [Twentieth Semiannual Report of the Atomic Energy Commission](#), Appendix 8, July 1956.

SIGNATORIES

SIGNED: 

Charles "Chuck" T. Hagel
Former U.S. Secretary of Defense
Former Senator of Nebraska

SIGNED: 

Thomas J. Ridge
Former U.S. Secretary of Homeland Security
Former Governor of Pennsylvania
Chairman, Ridge Global



SIGNED: _____

Jay Timmons
President & Chief Executive Officer
National Association of Manufacturers