

United States Senate

WASHINGTON, DC 20510

September 30, 2019

The Honorable Larry Kudlow
Director, National Economic Council
Co-Chairman, Nuclear Fuel Working Group
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

The Honorable Robert C. O'Brien
National Security Adviser
Co-Chairman, Nuclear Fuel Working Group
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear Chairmen Kudlow and O'Brien:

We urge the U.S. Nuclear Fuel Working Group (NFWG) to make bold and actionable recommendations to President Trump to revive and expand domestic nuclear fuel production. On July 12, President Trump issued the "Memorandum on the Effect of Uranium Imports on the National Security and Establishment of the United States Nuclear Fuel Working Group." The memorandum established the NFWG. It also recognized that domestic uranium production is a national security issue. He directed the NFWG to submit findings and make recommendations to further enable domestic nuclear fuel production. Your recommendations, and the ensuing actions, must address the threat from state-backed nuclear enterprises linked to governments that do not share American interests.

The United States was historically a global leader in uranium production. That is no longer the case. Today, America's uranium producers are experiencing production and workforce levels not seen since the dawn of the industry over 70 years ago. American producers are supplying less than one percent of the uranium needed to fuel our nation's nuclear power reactors.

We are now on the verge of losing American uranium mining and conversion capacity, jeopardizing vital national defense missions – to power America's nuclear navy and maintain our nuclear weapons deterrent.

At the same time, America's geostrategic competitors, specifically Russia and China, are utilizing their nuclear State-Owned Enterprises (SOE) to maximize their strategic relationships. Russia and Russian allies are flooding the global uranium market to harm production located in our nation, in addition to our allies. Global market prices remain well below average production costs. Between 2010 and 2017, Russia and Kazakhstan increased uranium production 27 percent, despite plummeting market prices and contracting supply from the United States and our allies.

Russian SOE also offer enticing long-term nuclear fuel contracts, and then threaten to withhold or increase the cost of nuclear fuel as geopolitical relationships change. Similarly, Chinese SOE are acquiring significant uranium reserves in Africa as part of the "One Belt One Road" initiative. The Chinese actions may limit future access to affordable uranium deposits to power our economy.

These activities highlight our adversaries' efforts to put American nuclear companies out of business and monopolize the nuclear fuel supply chain. This presents a strategic and geopolitical vulnerability for the United States and our allies that we simply cannot ignore.

Unless swift action is taken to provide an immediate boost to the domestic uranium industry, we risk losing existing uranium production capacity that will require decades and immense financial resources to reconstitute. It will also leave America wholly reliant on foreign imports of uranium. This poses unacceptable risk to our energy and national security.

Thank you considering our views as you develop your recommendations to President Trump. We look forward to working together to advance our energy and national security interests.

Sincerely,


John Barrasso, M.D.
United States Senator


Lindsey O. Graham
United States Senator


John Cornyn
United States Senator


Michael B. Enzi
United States Senator


Mike Braun
United States Senator


Tom Cotton
United States Senator


Kevin Cramer
United States Senator