



# URANIUM PRODUCERS OF AMERICA

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## **Uranium Classification Act of 2019 (H.R. 3405) Undermines U.S. National and Energy Security**

***Uranium fits squarely into the Department of the Interior's (DOI) definition of critical minerals.***

- According to DOI, critical minerals are “essential to the economic and national security of the United States, the supply chain of which is vulnerable to disruption, and that serves an essential function in the manufacturing of a product, the absence of which would have significant consequences for the economy or national security.”
- International agreements require U.S.-sourced uranium to meet our defense requirements, including our nuclear weapons and the nuclear-powered Navy.
- Uranium powers the nuclear reactors that produce about 20% of the electricity for the U.S. grid, representing the world’s largest commercial nuclear fleet and supplying more than half of the carbon free power in the U.S.
- The critical mineral designation recognizes the immense energy and national security value of uranium.
- The critical mineral designation **DOES NOT** weaken any environmental, health, or safety protections in the regulatory and permitting processes.

***The U.S. is at risk of losing its domestic uranium industry, becoming entirely dependent on imported uranium to fuel our nuclear reactors, creating an energy and national security crisis.***

- Despite the existence of vast deposits, domestic producers forecast 2019 production to plummet below 1 percent of what is required to power our commercial nuclear reactors, which is not enough uranium to power even one of our nation’s 98 reactors.

***Uranium imports flooding the market from state-controlled entities create an uneven global playing field on which market-driven uranium companies in the U.S., and those of our allies, are unable to compete.***

- An increasing share of U.S. imports are coming from government or state-controlled entities located in countries that are not aligned with U.S. interests.

- Uranium imported from Russia or countries within the Russian Sphere of Influence (RSOI) averaged over 40% of U.S. reactor loads between 2010 and 2017.
- RSOI supply increased 27% in the face of plummeting market prices while U.S. production fell 71% over the same period in response to the weak market.
- While free market companies are forced to adapt to market conditions, state-backed RSOI entities have ignored the market, increased their total supply, and added further downward pressure to prices.
- *U.S. uranium companies are not competing with free market companies in the RSOI; they are competing with governments more concerned about increasing market share, and geopolitical advantage, than profitability.*

***The uranium supply chain is highly vulnerable to disruption, and the Grijalva Amendment sends a dangerous message to countries not aligned with U.S. interests.***

- Russia has used control over global uranium and nuclear industries to leverage their own foreign policy objectives over the U.S., for example, the Russian reactors being built in Turkey and a disinformation campaign in Saudi Arabia against U.S. technology.
- Chinese state-owned companies are acquiring large uranium mines that constitute significant free world supply in Africa as part of the “one belt one road” initiative. This effectively cuts off access to free-world supply in the event of a significant supply disruption from Russia, for example.
- H.R. 3405 ignores the severe energy and national security consequences of losing the domestic uranium industry.