

January 12, 2011

The Honorable Richard G. Lugar
United States Senate
Washington, DC 20510

Dear Senator Lugar:

I am responding to your recent letter to the U.S. Nuclear Regulatory Commission (NRC) forwarding a constituent concern regarding the transfer of control of two uranium recovery licenses in Wyoming.

One license was owned by Uranium One USA, Inc. and the other by Uranium One Americas, Inc. Both firms are U.S.-based subsidiaries of Uranium One Inc., formerly a Canadian-owned firm. Last year, Uranium One Inc. agreed to a merger with JSC Atomredmetzoloto (ARMZ), a Russian corporation controlled by Rosatom, the Russian Federation's state nuclear agency. Under the merger, which closed in late December 2010, ARMZ gained majority control of the Canadian company.

In a letter dated July 20, 2010, Uranium One Inc. and its subsidiaries applied for an indirect transfer of control of their licenses from Uranium One USA, Inc. and Uranium One Americas, Inc. to ARMZ. On September 20, 2010, the NRC published in the *Federal Register* a notice of opportunity to request an adjudicatory hearing and an opportunity for public comment on the transfer of control of the uranium recovery licenses. No hearing requests were filed. Four public comments were received, one in support and three in opposition to the request; however, none of them addressed the regulatory requirements for reviewing a transfer of control.

The NRC's review of the transfer of control request determined that the U.S. subsidiaries will remain the licensees and continue to be qualified to conduct the uranium recovery operations. The licensees will retain the equipment, facilities, and procedures necessary to protect public health and safety and to minimize danger to life or property. The review also determined that Uranium One Inc. will maintain adequate financial surety for eventual decommissioning. The NRC approved the transfer request on November 23, 2010, and as a condition of that approval, requires the licensees to notify the NRC before ARMZ or Rosatom appoints, hires, or designates personnel to perform NRC-licensed activities. On December 7, 2010, the NRC published a notice in the *Federal Register* (75 FR 76050) that contains references and instructions on how to find electronic versions of the application and NRC publications documenting the review. Furthermore, at this time, neither Uranium One Inc. nor ARMZ holds an NRC export license. In order to export uranium from the United States, Uranium One Inc. or ARMZ would need to apply for and obtain an NRC license authorizing the export of uranium.

R. Lugar

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I hope this adequately responds to your constituent's concern. If you have any additional questions, please feel free to contact me at (301) 415-1776.

Sincerely,

/RA/

R. W. Borchardt
Executive Director for Operations

R. Lugar

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I hope this adequately responds to your constituent's concern. If you have any additional questions, please feel free to contact me at (301) 415-1776.

Sincerely,

/RA/

R. W. Borchardt
Executive Director for Operations

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ADAMS ACCESSION NO: ML110100531 (Package), ML110100466 (Letter) *via e-mail

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