

April 21, 2011

The Honorable Joseph I. Lieberman
United States Senate
Washington, D.C. 20510

Dear Senator Lieberman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your March 25, 2011, letter regarding the uranium recovery licenses in Wyoming now controlled by JSC Atomredmetzoloto (ARMZ), a Russian corporation.

Last November, the NRC approved the transfer of control of the licenses from Uranium One USA, Inc. and Uranium One Americas, Inc. to ARMZ. At that time, we determined that the U.S. subsidiaries of Uranium One Inc. (the formerly Canadian, now Russian-owned firm) would remain as the licensees and continue to be qualified to conduct the uranium recovery operations. As a condition of our approval, we required the licensees to notify the NRC before ARMZ appoints, hires, or designates personnel to perform NRC-licensed activities.

Once fully operational, the ARMZ licenses will represent approximately 20 percent of the currently licensed uranium in-situ recovery production capacity in the U.S. The licensed Willow Creek facility (formally known as Irigaray and Christensen Ranch) is expected to start producing uranium in 2011, and the licensed Moore Ranch facility is in the initial stages of construction.

At this time, neither Uranium One Inc. nor ARMZ holds a specific NRC export license. In order to export uranium from the United States, Uranium One, Inc. or ARMZ would need to apply for and obtain a specific NRC license authorizing the export of uranium for use in reactor fuel. Before issuing such a license, the NRC would have to determine that the proposed export would not be inimical to the common defense and security of the United States. Under existing NRC regulations, this means that any uranium proposed for export to Russia for use in nuclear fuel would be made subject to the U.S.-Russia Atomic Energy Act Section 123 agreement for peaceful nuclear cooperation and confirmed in case-specific, government-to-government assurances for each proposed export. Russia would be required to commit to use the material only for peaceful purposes (not for development of any nuclear explosive device), to maintain adequate physical protection, and not to retransfer it to a third country or alter it in form or content without the prior consent of the U.S.

Every application submitted to the NRC for a specific export or import license is made available to the public on the NRC's web site, and the NRC welcomes public comment on such applications. Our regulations outline in detail procedures for public participation concerning these license applications.

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If you need any additional information, please contact me or Ms. Rebecca Schmidt, Director of the Office of Congressional Affairs, at (301) 415-1776.

Sincerely,

/RA by Michael F. Weber for/

R. W. Borchardt
Executive Director
for Operations

If you need any additional information, please contact me or Ms. Rebecca Schmidt, Director of the Office of Congressional Affairs, at (301) 415-1776.

Sincerely,

/RA by Michael F. Weber for/

R. W. Borchardt
Executive Director
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* Concurred on 3/21 letter to Rep. Enzi from which the text of this letter is taken.

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