Legislative Bulletin......July 10, 2013

Amendments to H.R. 2609 – Energy and Water Development, and Related Agencies Appropriations Act, 2014 (Rep. Frelinghuysen, R-NJ)

Votes Have Been Requested for the Following Amendments:

Polis (*D-CO*): The amendment reduces funding for the Atomic Energy Defense Activities National Nuclear Security Administration's Weapon Activities account by \$13,072,000, and places this amount in the Spending Reduction Account. The amendment text can be viewed here.

Burgess (**R-TX**) #1: The amendment reduces funding for the Defense Nuclear Nonproliferation account by \$48,000,000, and places this amount in the Spending Reduction Account. According to the sponsor, this amendment is intended to cut funding for the Domestic Enriched Uranium Demonstration Project. A similar amendment was offered in the 112th Congress, as H.Amdt. 1192 to H.R. 5325, on June 5, 2012. The amendment failed by a <u>roll call vote of 168-249</u>. The amendment text can be <u>viewed</u> here.

The following information has been provided by the office of Rep. Burgess:

- It is <u>very much in dispute</u> that USEC is necessary for national security purposes. In fact, <u>GAO is currently undertaking a massive study, both of the financial and the national security aspects surrounding USEC because there are serious questions about its necessity</u>
- CRS agrees that USEC is not a black and white issue regarding national security:
 - The Washington Agreement– NOT the Euratom Agreement referenced above governs the current foreign-technology-based uranium enrichment plant operating in the U.S., and the same language in a recent agreement governs a future plant in Idaho. It states that any "special nuclear material" that is produced using enrichment technology subject to the Agreement must be used for peaceful purposes. Here is how Article I of the Agreement defines its terms:
 - (e) "nuclear material" means (i) "source material", namely, uranium containing the mixture of isotopes occurring in nature and uranium depleted in the isotope U-235, and (ii) "special nuclear material", namely plutonium, uranium-233, and uranium enriched in the isotopes U-233 or U-235;

- Tritium therefore is NOT a "special nuclear material" under the Agreement.
 - In fact, the Congressional Research Service stated in a May 21 memo there is a "substantial argument" that these centrifuges "would not be covered by the Euratom Agreement." It also said that interpreting the Washington Treaty in a manner that precludes the production of tritium using centrifuges covered by the Treaty "could lead to what may be considered unintended consequences" and additionally could render parts of this Treaty to be redundant. A second CRS memo also references a DOE document that says "that the United States has set aside sufficient fuel for naval reactors and has "additional reserves of HEU that could be used to supplement this naval reserve if necessary."
- USEC applied for and <u>HAS NOT BEEN APPROVED</u> for a loan guarantee out of the same program DOE gave funds to Solyndra. Their application is still pending.
- In June, USEC's shareholders voted to initiate a reverse stock split a move to avoid pending bankruptcy
- In May USEC filed suit against the Department for Energy for \$38 million
- Taxpayers for Common Sense and the National Taxpayers Union have come out in strong support of the Burgess Amendments because this money is not in taxpayers' interest.

The following information has been provided by the office of Rep. Turner:

- According to the National Nuclear Security Administration (NNSA), in the near
 future, the United States will need a fully domestic source of "unrestricted"
 enriched uranium, based on domestically-developed technology, to support the
 nuclear weapons program and Navy nuclear reactors program. H.R. 2609, the FY
 14 Energy and Water Appropriations Act, provides the Department of Energy
 with the authority to use existing funds for development of a domestic uranium
 enrichment capability.
- International agreements prevent us from purchasing enriched uranium from foreign-owned companies for military purposes.
- The United States must never rely on foreign companies for such a critical component of our nuclear deterrent.
- NNSA has briefed Members on the importance of developing a domestic source of uranium enrichment to our national security. Below is an excerpt from an Official Use Only document:
 - "An indigenous uranium enrichment capability is required to support national security and meet nuclear non-proliferation objectives."
- A NNSA document entitled "Tritium Readiness Subprogram Unrestricted Reactor Fuel Supply" which includes the following excerpt:
- "Unrestricted fuel generally requires domestic uranium and domestic enrichment technologies (i.e., not LES or Areva)"
- NNSA states that the program is important because:

- Uranium used to support national security missions such as producing tritium for the nuclear weapon stockpile must be "U.S.-origin and unobligated".
- The American Centrifuge Program is the only planned new enrichment facility/program that would be able to produce U.S.-origin unobligated Low Enriched Uranium (LEU)
- Allows the U.S. to discourage the unnecessary spread of enrichment technology by contributing directly to sustained confidence in the international commercial enrichment market.
- o Provides the U.S. an unencumbered source of domestic LEU for meeting the continuing, recurring requirement to maintain a nuclear deterrent.
- Provides a U.S. capability to enrich uranium to make fuel, critical in the long-term for meeting demand for defense related research reactors and for naval nuclear propulsion reactors.
- Allows the U.S. to better detect, deter, and assess potential proliferation of new uranium enrichment programs around the world.
- Helps preserve the technical knowledge base and the supply chain needed to support uranium enrichment capabilities needed by the U.S. Government for the foreseeable future.
- The provision does not meet the definition of an earmark, as it was in the budget request and there is no direct funding in the bill for the project. The provision simply provides the authority to transfer existing funds from other DOE programs.

Burgess (**R-TX**) #2: The amendment strikes language in the legislation that allows the Secretary to transfer \$48,000,000 to carry out domestic uranium enrichment, development, and demonstration activities. When combined with Burgess #1, the amendments' goal is to cut funding for the Domestic Enriched Uranium Demonstration Project. It is RSC Staff's understanding that the amendments were originally combined but had to be split at the request of the Parliamentarian. The amendment text can be viewed here.

Titus (D-NV): The amendment strikes language in the legislation that prohibits funding to conduct the closure of Yucca Mountain. The amendment text can be <u>viewed here</u>.

Lynch (*D-MA*): The amendment reduces funding for the Department of Energy, Energy Programs, Fossil Energy Research and Development account by \$20,000,000. The amendment increases funding for the Corps of Engineers, Construction account by \$20,000,000. The amendment text can be <u>viewed here</u>.

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