



**GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

November 6, 2020

The Honorable Lisa Murkowski
Chairman, Senate Committee on
Energy and Natural Resources
Washington D.C. 20510

Dear Chairman Murkowski:

I am writing to express the Department of Commerce's strong support for S. 4694, the Russian Suspension Agreement Extension Act of 2020.¹ This bill would codify the terms of an October 5, 2020, amendment to the Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation, as amended (Agreement). The Department of the Interior designated uranium as a critical mineral vital to the Nation's security and economic prosperity. If enacted, this legislation will ensure that Russia adheres to the terms of the amended Agreement through 2040 and contribute to the revitalization of the U.S. nuclear industry.

The U.S. nuclear fuel industry is at a critical juncture and is seriously threatened by imports of uranium products from other countries, almost all of which are produced by government-owned and supported production facilities. Russia is one of the largest producers of uranium products in the world. The U.S. nuclear fuel industry operates on market principles and, as a result, is at a disadvantage against non-market entities.

The Agreement, as amended on October 5, establishes critical protections for the U.S. uranium industry through 2040 and reduces U.S. long-term dependence on Russia as a source of supply for nuclear fuel. Specifically, the amended Agreement imposes specific, long-term restrictions on Russia's access to the U.S. markets for natural uranium, uranium conversion, and enrichment. These protections are the product of one and a half years of negotiations with the Russians, as well as extensive consultations with the domestic industry and domestic purchasers of U.S. produced uranium. The April 2020 United States Nuclear Fuel Working Group strategy, *Restoring America's Competitive Nuclear Advantage*, recommends extension of the Agreement and reducing dependence on Russian enrichment capabilities. Public comments on the amended Agreement (when it was in draft form) were broadly supportive.

¹ The Department of Commerce notes that the language of S. 4694 also appears as Section 4301 of H.R. 4447, the Clean Economy Jobs and Innovation Act, as passed by the House of Representatives on September 24, 2020. The Administration opposes H.R. 4447 for the reasons stated in the Statement of Administration Policy issued on September 21, 2020, which included an overarching veto threat for the bill. This letter, therefore, addresses the standalone Senate bill S. 4694 only.

Under the amended Agreement, Russia may unilaterally withdraw from the Agreement with one year's notice. This is because the legal authority for the Agreement (i.e., the U.S. antidumping law) requires Commerce to enter into the Agreement with Russia's consent. By codifying the terms of the amended Agreement into law, Congress would ensure that the terms of the Agreement remain in effect, even if Russia were to withdraw from the Agreement at some future point in time.

There is a clear precedent for such legislation. In 2008, when Commerce negotiated a previous amendment to the Agreement, Congress codified it with the "Domenici Amendment." See 42 U.S.C. § 2297h et seq. (2008). We support Congress' initiative to do the same now.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this letter from the viewpoint of the Administration's programs. If you have any questions, please contact Anthony Foti, performing the delegated duties of the Assistant Secretary for Legislative and Intergovernmental Affairs at (202) 482-3663.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Walsh, Jr.", with a stylized flourish at the end.

Michael J. Walsh, Jr.
Chief of Staff performing the delegated duties of the
General Counsel

cc: The Honorable Joe Manchin
Ranking Member