

# United States Senate

March 12, 2015

The Honorable Ernest Moniz  
Secretary  
U.S. Department of Energy  
1000 Independence Ave., S.W.  
Washington, D.C. 20585

Dear Secretary Moniz:

I write to express my serious concern about the announcement that Centrus Energy Corp., formerly known as USEC Inc., has hired Daniel Poneman, former Deputy Secretary of Energy, as President and Chief Executive Officer. Under Mr. Poneman, the Department of Energy (DOE) gave away significant quantities of publicly-owned uranium for the benefit of USEC. Centrus' announcement epitomizes the inappropriate and legally questionable relationship that DOE has had with this private company. It is also reason why DOE should follow the highest standards of transparency and accountability before authorizing any additional transfers of uranium.

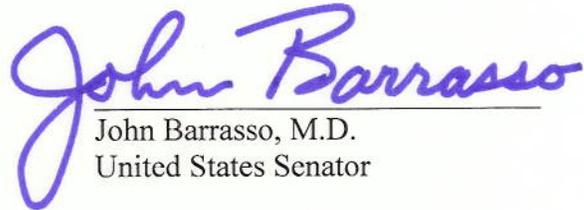
In 2008, DOE published its Excess Uranium Inventory Management Plan. The purpose of the Plan was "to provide the general public and interested stakeholders more specific information and enhanced transparency" on how DOE would manage the excess supply of publicly-owned uranium. Under the Plan, DOE said that its "sales or transfers [of uranium] would be conducted consistent with applicable legal requirements" and that DOE would "seek to obtain the best economic value for the U.S. Government." DOE stated it would achieve these objectives by gradually selling or transferring uranium into the market from 2009 to 2013, and then limiting annual sales or transfers to 5 million pounds or 10 percent of annual domestic fuel requirements.

Under Mr. Poneman, DOE violated both its Management Plan and federal law when overseeing the excess supply of publicly-owned uranium—and did so principally for the benefit of USEC. In May 2012, DOE gave large quantities of uranium to a third party which had agreed to hire USEC to re-enrich the uranium. In 2014, the Government Accountability Office (GAO) found that DOE did not have the legal authority to transfer this uranium. It also found that DOE had violated federal law by failing to establish and charge a price for this uranium. GAO explained that the value of the uranium which DOE transferred for the benefit of USEC may have been as much as \$300 million and that the net loss to taxpayers may have been as much as \$195 million.

DOE has long had an improper relationship with USEC. Mr. Poneman's appointment as President and CEO only promises to make that record worse. His appointment to the Board of Directors of the Traxys Group, the sales agent for the current recipient of publicly-owned uranium, is also troubling. For these reasons, I ask that you conduct a rulemaking, with full notice and public comment, before authorizing all future sales or transfers of uranium. Only by adhering to the transparency and accountability requirements of the Administrative Procedure Act will DOE be able to restore confidence in its management of publicly-owned uranium.

Thank you for your consideration and I look forward to your prompt response.

Sincerely,

  
John Barrasso, M.D.  
United States Senator