

Ur-Energy and Energy Fuels Jointly File Section 232 Petition with U.S. Commerce Department to Investigate Effects of Uranium Imports on U.S. National Security

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DENVER, Jan. 16, 2018 - [Ur-Energy Inc.](#) (NYSE American: URG; TSX: URE) ("Ur-Energy") and [Energy Fuels Inc.](#) (NYSE American: UUUU; TSX: EFR) ("Energy Fuels") today jointly submitted a Petition to the U.S. Department of Commerce ("DOC") for Relief Under Section 232 of the Trade Expansion Act of 1962 (as amended) from Imports of Uranium Products that Threaten National Security (the "Petition").

- Imports of uranium from state-owned and state-subsidized enterprises in Russia, Kazakhstan, and Uzbekistan now fulfill nearly 40% of U.S. demand, while domestic production fulfills less than 5%.
- Increasing levels of nuclear fuel are expected to be imported from Russia and China in the coming years, which will compete directly with U.S. uranium production.
- In 2017, U.S. uranium production fell to near historic lows due in large part to uranium and nuclear fuel imported from state-subsidized foreign entities; 2018 domestic production is likely to be even lower.
- A healthy uranium mining industry is vital to U.S. national security, because it supplies fuel for nuclear power plants that are a key component of the nation's critical energy infrastructure and essential defense needs.
- Ur-Energy and Energy Fuels, both headquartered in Denver, Colorado, are the two main U.S. uranium producers, together supplying more than half of all U.S. uranium in 2017.
- Energy Fuels and Ur-Energy have filed a Section 232 Petition requesting (1) the Department of Commerce to investigate the effects of uranium imports on U.S. national security and (2) the President to use his authority to adjust imports to ensure the long-term viability of the U.S. uranium mining industry.
- Energy Fuels and Ur-Energy have proposed sensible remedies that will support a viable domestic uranium mining industry with a negligible impact on U.S. nuclear utilities.

Uranium is primarily used as the fuel for non-emitting, zero-carbon nuclear energy, but also plays a key role in national defense. According to the Nuclear Energy Institute, nuclear energy provides about 20% of all electricity, and nearly 60% of the carbon-free electricity, generated in the U.S. Uranium is also the backbone of the U.S. nuclear deterrent and fuels ships and submarines in the U.S. Navy. Despite uranium's critical role in supporting clean electricity and national defense, imports of cheap, foreign state-subsidized uranium have swelled in recent years to the point that domestic suppliers currently provide less than 5% of our nation's demand. As recently as 1980, U.S. producers supplied nearly 100% of our domestic uranium needs, and in 1989 the DOC initiated a Section 232 investigation at the request of the U.S. Department of Energy ("DOE") because of concerns that uranium imports exceeded 37.5% at that time. The problem is far worse now.

In 2016, the combined uranium imports from three geopolitically and commercially linked countries – Russia, Kazakhstan, and Uzbekistan – fulfilled nearly 40% of U.S. requirements. While the U.S. does not import significant quantities of uranium from China at this time, China has significantly grown their state-owned nuclear enterprises and announced that they intend to penetrate the U.S. nuclear market with nuclear fuel that will compete directly with U.S. uranium miners. Further, the approaching expiration of the Russian Suspension Agreement will remove existing limits on Russian uranium imports. This will create additional pressure on U.S. uranium producers, as Russia has announced plans to increase its U.S. market share after that agreement expires in 2020.

Today's extreme dependence is not a matter of foreign competition legitimately underpricing domestic production. It is the result of certain foreign state-subsidy policies that undermine U.S. companies who could otherwise compete fairly on a global basis.

The Petition filed today is a response to this threat to U.S. energy and national security. The Petitioners urge

Commerce Secretary Ross and President Trump to act decisively to help restore the long-term viability of the U.S. uranium mining industry. Without a viable nuclear fuel cycle, the commercial and nuclear capabilities of the U.S. will be diminished, and the nation is likely to become 100% dependent on foreign parties that compete with the U.S. for geopolitical influence and commercial advantage to fuel a majority of our clean, baseload electricity. Further, international treaties require that the uranium necessary for defense programs be sourced from the U.S. Unless steps are taken now to foster a healthy domestic uranium mining industry, the defense stockpiles currently held by the DOE will be depleted, and it is unlikely that domestic producers will have sufficient capabilities to meet our defense needs in the future.

Legal Basis and Process

The Petition was filed by Energy Fuels and Ur-Energy pursuant to the Trade Expansion Act of 1962, as amended (the "Act"), and 15 C.F.R. § 705.5. The Act was promulgated by Congress to protect essential national security industries whose survival is threatened by imports. As such, the Act authorizes the Secretary of Commerce (the "Secretary") to conduct investigations to evaluate the effects of imports of any item on the national security of the U.S. In the Petition, Energy Fuels and Ur-Energy describe in detail how the loss of a viable U.S. uranium mining industry would have a significant detrimental impact on the national, energy, and economic security of the U.S. and the ability of the country to sustain an independent nuclear fuel cycle.

Once the DOC initiates an investigation, the Secretary has 270 days to prepare a report to the President. Following receipt of the Secretary's report, the President then has 90 days to act on the Secretary's recommendations, and if necessary take action to "adjust the imports of an article and its derivatives" and/or pursue other lawful non-trade related actions necessary to address the threat.

Benefits of Trade Remedies

The Petition seeks remedies which will set a quota to limit imports of uranium into the U.S., effectively reserving 25% of the U.S. nuclear market for U.S. uranium production. Additionally, the Petition suggests implementation of a requirement for U.S. federal utilities and agencies to buy U.S. uranium in accordance with the President's Buy American Policy. These remedies are expected to result in U.S. utilities purchasing approximately 12 million pounds of uranium per year from U.S. production, based on recent data. This would be expected to create a healthy U.S. uranium mining industry, bolster national defense, and improve supply diversification for U.S. utilities and their customers. Greater diversification will lessen the exposure of the U.S. government, U.S. utilities and their customers to the policies of nations like Russia, Kazakhstan, and China. U.S. utilities and their customers will also receive greater protection from supply shocks, price increases, and other geopolitically motivated actions of foreign state-controlled uranium producers. Likewise, a strong domestic uranium mining industry will be able to reliably supply the required domestic uranium that is critical to our national defense programs. The U.S. government will provide support to a vital national security industry, while maintaining a high degree of competition that encourages innovation and lower prices. These remedies will reduce dependence on imports that fuel clean energy, and support reductions in air pollution and carbon emissions.

U.S. uranium producers will continue to compete with global uranium producers, but on a more level playing field. U.S. production will come from existing U.S. producers, from other U.S. producers that are on standby as a result of low uranium prices, and from new U.S. producers. Pricing for U.S. uranium would be expected to increase through domestic competition to levels more consistent with un-subsidized global costs of uranium production, but not to a level that will have a significant impact on the bottom lines of U.S. utilities or the rates their customers pay. An econometric model included in the Petition demonstrates that the average price impact to consumers will be negligible.

Additional information regarding the trade action, including the full text of the Section 232 Petition, can be found on the companies' respective websites shown below. There can be no certainty of the outcome of the investigation or the recommendation of the Secretary, and therefore the outcome of this process is uncertain.

About Ur-Energy: Ur-Energy is a U.S. uranium mining company with corporate and operations offices in Denver, Colorado and Casper, Wyoming. Ur-Energy operates the Lost Creek in-situ recovery uranium facility in south-central Wyoming. Ur-Energy has produced, packaged and shipped more than two million pounds from Lost Creek since the commencement of operations. Applications are under review by various agencies

to incorporate Ur-Energy's LC East project area into the Lost Creek permits, and the company has begun to submit applications for permits and licenses to construct and operate its Shirley Basin Project. Ur-Energy is engaged in uranium mining, recovery and processing activities in the United States, including the acquisition, exploration, development and operation of uranium mineral properties. The primary trading market for Ur-Energy's common shares is the NYSE American under the trading symbol "URG;" Ur-Energy's common shares also trade on the Toronto Stock Exchange under the trading symbol "URE." Ur-Energy's website is www.ur-energy.com.

About Energy Fuels: Energy Fuels is a leading integrated U.S. uranium mining company, supplying U₃O₈ to major nuclear utilities. Its corporate offices are in Denver, Colorado, and all of its assets and employees are in the western United States. Energy Fuels holds three of America's key uranium production centers, the White Mesa Mill in Utah, the Nichols Ranch Processing Facility in Wyoming, and the Alta Mesa Project in Texas. The White Mesa Mill is the only conventional uranium mill operating in the U.S. today and has a licensed capacity of over 8 million pounds of U₃O₈ per year. The Nichols Ranch Processing Facility is an in-situ recovery production center with a licensed capacity of 2 million pounds of U₃O₈ per year. Alta Mesa is an in-situ recovery production center with a licensed capacity of 1.5 million pounds of U₃O₈ per year, which is currently on care and maintenance due to low uranium prices. Energy Fuels also has the largest uranium resource portfolio in the U.S. among producers, and uranium mining projects located in a number of Western U.S. states, including one producing in-situ recovery project, mines on standby, and mineral properties in various stages of permitting and development. Energy Fuels also produces vanadium as a co-product of its uranium production from certain of its mines on the Colorado Plateau, as market conditions warrant. The primary trading market for Energy Fuels' common shares is the NYSE American under the trading symbol "UUUU", and the Company's common shares are also listed on the Toronto Stock Exchange under the trading symbol "EFR". Energy Fuels' website is www.energyfuels.com.

Cautionary Note Regarding Forward-Looking Statements: Certain information contained in this news release, including any information relating to: the expected increases in foreign state-subsidized imports of uranium in coming years; the expected further negative impacts of such imports on U.S. uranium production and national security, including the depletion of stockpiles held by the Department of Energy; the potential of the U.S. to be unable to sustain an independent nuclear fuel cycle and to become 100% dependent on foreign parties; the outcome of the Department of Commerce Section 232 investigation, including whether or not the Secretary of Commerce will make a recommendation to the President and the nature of the recommendation; whether or not the President will act on the recommendation and, if so, the nature of the action and remedy; the expected benefits of the proposed remedies, including: the expected impacts on U.S. production and the U.S. uranium mining industry, the expected impacts on purchases of U.S. production by U.S. utilities, the expected impacts on supply diversification and the expected benefits of such diversification on domestic utilities and national defense, the expected ability of the U.S. uranium mining industry to reliably supply the required domestic uranium production, the expected impact of the proposed remedy on improved competition, innovation and lower prices, and the reduction of dependence on imports; the expected impact on pricing for U.S. uranium production and the negligible price impact on electricity rates paid by consumers; and any other statements regarding Energy Fuels' or Ur-Energy's future expectations, beliefs, goals or prospects; constitute forward-looking information within the meaning of applicable securities legislation (collectively, "forward-looking statements"). All statements in this news release that are not statements of historical fact (including statements containing the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions) should be considered forward-looking statements. All such forward-looking statements are subject to important risk factors and uncertainties, many of which are beyond Energy Fuels' and Ur-Energy's ability to control or predict. A number of important factors could cause actual results or events to differ materially from those indicated or implied by such forward-looking statements, including without limitation factors relating to: the expected increases in foreign state-subsidized imports of uranium in coming years; the expected further negative impacts of such imports on U.S. uranium production and national security, including the depletion of stockpiles held by the Department of Energy; the outcome of the Department of Commerce Section 232 investigation, including whether or not the Secretary of Commerce will make a recommendation to the President and the nature of the recommendation; whether or not the President will act on the recommendation and, if so, the nature of the action and remedy; the expected benefits of the proposed remedies; the expected impact on pricing for U.S. uranium production and the negligible price impact on electricity rates paid by consumers; and other risk factors as described in Energy Fuels' and Ur-Energy's most recent annual reports on Form 10-K and quarterly financial reports. Energy Fuels and Ur-Energy assume no obligation to update the information in this communication, except as otherwise required by law. Additional information identifying risks and uncertainties is contained in Energy Fuels' and Ur-Energy's filings with the various securities commissions which are available online at www.sec.gov and www.sedar.com. Forward-looking statements are provided for the purpose of providing information about the current expectations, beliefs and plans of the management of Energy Fuels and Ur-Energy relating to the future. Readers are cautioned that such statements may not be appropriate for

other purposes. Readers are also cautioned not to place undue reliance on these forward-looking statements, that speak only as of the date hereof.

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