

III Market Access Impediments and Vulnerabilities

A. United States restriction on the enrichment, in USDOE enrichment facilities, of uranium intended for domestic use provided an effective import embargo on non-US uranium for almost 10 years, beginning in the late 1960s. Although the restriction was phased out by 1984, there is currently renewed pressure within the US for some sort of import restrictions, in response to declining US uranium production.

An amendment to the Nuclear Regulatory Commission (NRC) Authorization Act of January 4, 1983, requires that the US Secretary of Energy submit to Congress an annual assessment of the viability of the domestic mining and milling industry. A mechanism also provides for the initiation of an investigation by the US International Trade Commission if it is determined that the level of uranium imports will be a substantive cause of serious injury to the US uranium industry, and by the Secretary of Commerce, if imports exceed 37.5 per cent of domestic uranium requirements for two consecutive years, or if the level of imports threatens or impairs national security. The actual determination of viability rests with the Secretary of Energy.

The Secretary of Energy's first annual determination of viability was released in December 1984, based on the criteria of resource capability, supply response capability, financial capability, and import commitment dependency. This first determination found the US uranium industry to be viable. The Secretary's second annual determination is expected to be released in the fall of 1985, and may well find the industry to be not viable. Such a determination would trigger investigations by the US International Trade Commission and the Secretary of Commerce, followed by the imposition of import restrictions.