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March 28, 2014

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

Dear Secretary Moniz:

On behalf of the Nuclear Energy Institute,¹ I thank you for your continued commitment to nuclear security and nonproliferation, and want to let you know about the serious concerns we have regarding the Administration's proposed FY 2015 budget and revised policy for the Mixed Oxide Fuel Fabrication Facility (MOX).

The United States has a longstanding, demonstrated commitment to nonproliferation, and the industry is a supportive and collaborative partner. Under the Plutonium Management Disposition Agreement, the United States committed to transform 34 metric tons of U.S. weapons-grade plutonium (enough plutonium for 17,000 nuclear weapons) into nuclear fuel for civilian power reactors. The MOX Fuel Fabrication Facility, currently under construction in South Carolina, is a key component to achieving this critical, national security mission. We are concerned that the Administration's proposal to place the MOX project in "cold stand-by" could be viewed as a retreat from our international commitments.

Construction of the MOX facility is 60 percent complete, employs 1,800 people directly and utilizes more than 4,000 American contractors and suppliers in 43 states. These contracts contribute millions of dollars in revenue to those states, as the enclosure shows in state-level detail. This project has achieved nearly 18 million safe work hours – an unprecedented achievement for any construction project of this kind. The MOX project has also supported the development of advanced U.S. technology for both national security and commercial purposes.

¹ The Nuclear Energy Institute (NEI) is the organization responsible for establishing unified industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all entities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, nuclear materials licensees, and other organizations and entities involved in the nuclear energy industry.

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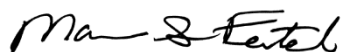
To cancel, suspend or simply reduce funding for the project will, unfortunately, validate those critics of the Department of Energy who claim it simply cannot complete complex projects, particularly those concerning nuclear materials disposition. Unfortunately, DOE's history with this and other large complex projects does not instill confidence in the commercial industry that the MOX program will be able to deliver commercial fuel to utilities on an agreed-to schedule. However, DOE can and should begin to reverse this trend, and begin to restore confidence by following through with the construction and operation of the MOX facility on a set schedule. To help control costs, we encourage DOE to develop a project completion optimization plan that identifies the optimum annual funding level through completion. This plan should also identify the schedule and cost impacts that would result from suboptimal congressional appropriations. The development of this plan, though, should not delay construction progress.

NEI views the MOX project as an investment in the nation's future. The facility, once operational, will operate for more than a decade to complete its original mission to transform 34 metric tons of U.S. weapons-grade plutonium into civilian nuclear fuel. During that time, additional missions for the facility will likely be found and may include the transformation of additional U.S. weapons-grade plutonium, a worthy nonproliferation and disarmament goal.

Mr. Secretary, thank you for your leadership and for your thoughtful consideration regarding funding for the MOX project.

If you need more information please get in touch with me at 202.739.8125. As always, I look forward to working with you in the days ahead.

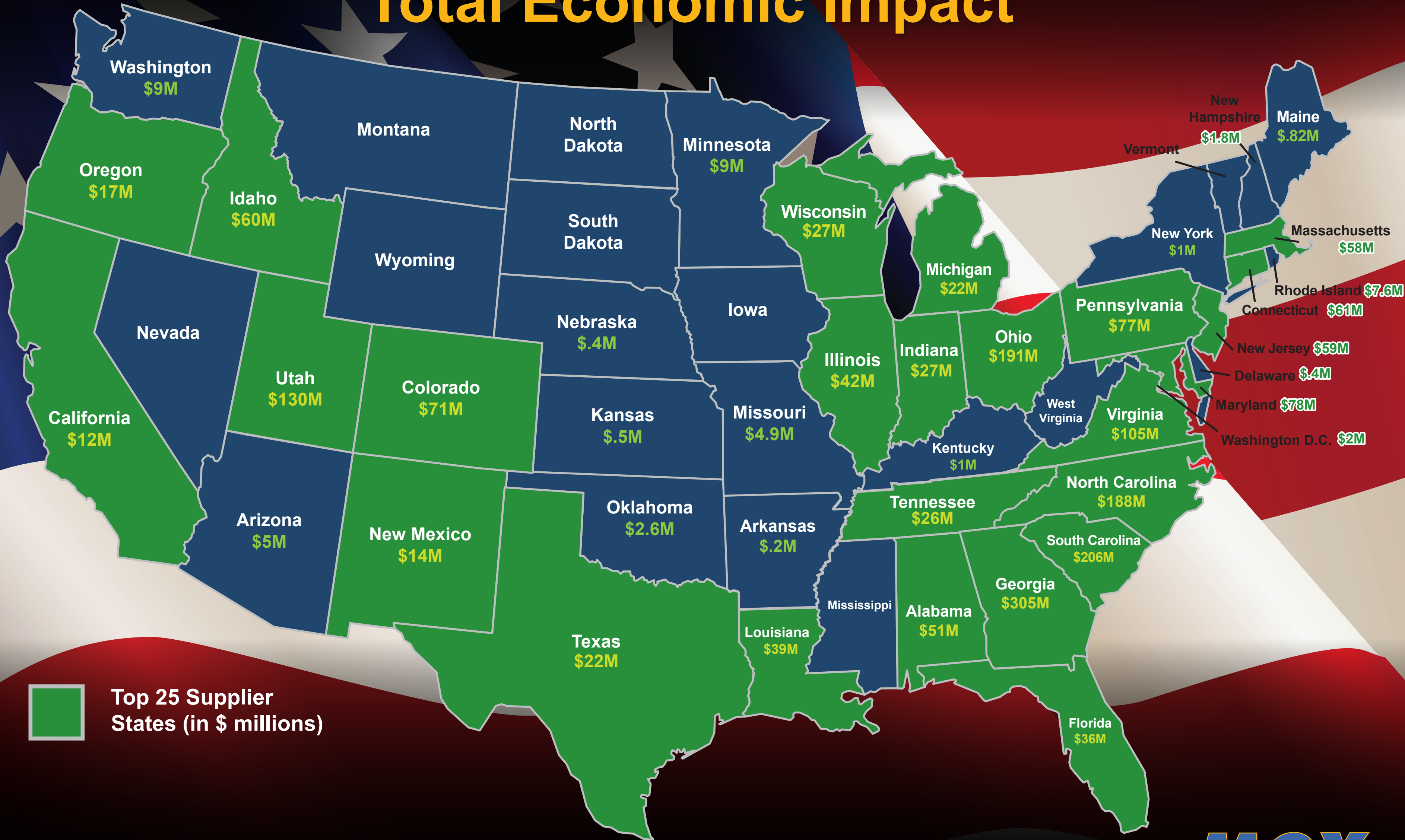
Sincerely yours,

A handwritten signature in cursive script that reads "Marvin S. Fertel".

Marvin S. Fertel

Enclosure: MOX Project Suppliers/Contractors Total Economic Impact

MOX Project Supplier/Contractors Total Economic Impact



Top 25 Supplier States (in \$ millions)