

USEC Inc. "must contemplate the termination of enrichment operations at one plant" and that the next meeting of the Board is scheduled for today.

I am writing to urge that you and the other members of the Board vote not to initiate a plant closing at today's Board meeting. It is deeply disturbing that the USEC Board is even considering the precipitous step of initiating a plant closing less than two years after USEC privatization. Before any closing, every possible alternative should be pursued. The Board should give full consideration to the impact of its actions on affected communities and USEC's employees.

Sincerely,

GART GENSLER.

[DOE News, June 21, 2000]

STATEMENT OF SECRETARY BILL RICHARDSON  
ON USEC DECISION TO CLOSE PORTSMOUTH

"I am extremely disappointed by the United States Enrichment Corporation's (USEC) decision today to close the uranium enrichment plant at Portsmouth. First and foremost, I am very concerned about the effect this closure will have on USEC workers. Many of these men and women spent their entire working lives helping our nation win the Cold War. They deserve better treatment than they are getting from USEC.

"The decision is just the latest in a series of short-sighted decisions aimed at bolstering the corporation's near-term standing on Wall Street. The decision announced today leaves unanswered fundamental questions affecting the employees, the Corporation's future and USEC's ability to carry out important national security obligations to the United States.

"This decision was not inevitable. When USEC was privatized in 1998, it inherited a healthy business with a bright future. A series of decisions by the corporation's present management have weakened the Corporation and the domestic uranium industry and, coupled with a faltering long-term business strategy, have led to this unfortunate outcome that will result in several hundred Ohioans being put out of work.

"We have opposed layoffs from the start. Earlier this year, when USEC announced it would be downsizing at Paducah and Portsmouth, I urged USEC to provide early retirement and other benefits to help these workers, but the company refused. Now they're leaving even more workers up in the air by announcing closure of this plant, without any credible indication of their commitment or ability to deploy a replacement enrichment technology, necessary for long-term viability. The Energy Department has worked hard to increase funding for its cleanup activities at these sites and for workers displaced from USEC's downsizing to move to the cleanup.

"The administration is committed to doing all it can to mitigate the effects of this action on the workers and the community. We will be reviewing all our options in the days ahead and intend to vigorously pursue every possible means to mitigate the impacts of USEC's management failures on the workers at Portsmouth. I will also recommend fundamental changes in the future relationship between the U.S. government and USEC, including serious consideration of replacing USEC as executive agent for the Russia deal."

THE SECRETARY OF ENERGY,  
Washington, DC, June 21, 2000.

Mr. WILLIAM TIMBERS,  
Chairman and CEO, United States Enrichment Corporation, Bethesda, MD.

DEAR MR. TIMBERS: I am in receipt of a copy of your response of June 20 to my re-

cent letter concerning the HEU agreement, the impacts of the proposed commercial SWU deal on domestic production, your ability to sustain the Treasury agreement, and USEC's need for a future enrichment technology.

While I have yet to receive a formal reply to my letter, I must assume that the copy I received from the press constitutes your views on these matters. As such, I would like to comment on some of your key points.

The privatization of USEC in July 1998 was premised on USEC's judgment that the HEU Agreement was an asset to USEC, that it would keep two plants open until 2005, and that it would develop a future enrichment technology. USEC was provided many assets to this end. Your letter, in contrast, now reports that you consider the HEU Agreement to be a burden, that you have long contemplated closing a plant, and that you require substantial federal assistance for a different enrichment technology.

I am pleased that you share our views about the national security importance of the HEU Agreement. I am confused, however, by the assertion in your letter that the important nonproliferation objective of the HEU agreement "... has succeeded at the expense of USEC." Last December, USEC made a decision to continue as sole executive agent for the Russian HEU agreement. Presumably this reflected your business judgment that continuing on as the executive agent was in the best business interests of your company and USEC stockholders. Actions speak louder than words.

DOE remains concerned about the impacts of the proposed commercial SWU deal on our domestic industry. As you know, the HEU Agreement was put together to balance carefully national security and energy security objectives, a balance that could be upset by the proposed commercial SWU side deal. While DOE supports the effort to move toward a new pricing mechanism with Russia for the HEU Agreement, given the potential impacts, we continue to maintain that the commercial SWU proposal deserves serious and thoughtful review.

Also, I must make clear that we do not agree with your characterization of the commercial SWU proposal as conforming to guidance from the subcommittee of the EOC on commercial SWU levels that affect the domestic industry. Further, we were surprised by your characterization of the domestic impact of the proposed commercial SWU deal as "modest," since USEC recently filed objections to the introduction of even smaller amounts of SWU from another foreign country, based specifically on concerns about its impacts on the domestic market.

In my view, your meeting with me last January in no way provided a justification for early plant closure. In addition to the potential energy security impacts of such an action, I remain deeply concerned about its regional employment and economic impacts. The same management decisions that led you to notify Treasury of USEC's downgraded credit rating, and your lack of follow through on the very commitments that engendered broad support for USEC privatization in the first place, could ultimately mean ongoing efforts on USEC's part to receive open-ended federal assistance without reciprocity on significant public policy concerns.

On the development of enrichment technology, I would note that DOE has never been provided an analysis supporting the discontinuation of AVLIS, in which, as a government-owned corporation, USEC spent several hundred million dollars of public money. DOE is now being asked to start down a new path of public investment but has yet to receive a comprehensive proposal from USEC,

let alone a strategic plan on its proposed path forward for centrifuge technology development.

While we do not know how you specifically intend to proceed on technology development, this is what we do know: USEC wants DOE to invest outright \$50 million in centrifuge technology development; USEC wants \$1.2 billion in federal loan guarantees for building a centrifuge facility; USEC wants use of DOE's GCEP facility (which would save USEC \$300 million but cost DOE \$150 million), and; USEC wants a gas centrifuge CRADA with DOE (which I note our organizations have been negotiating for at least two months).

USEC's list of "wants" from the federal government is a long one and is not backed up by a reasoned plan to justify such a significant investment of the public's money. Surely you must acknowledge that if DOE and other agencies in the federal government are going to invest substantial public funds in a private enterprise, we are owed more than piecemeal requests for federal assistance.

Many of the questions I asked in my original letter to you remain unanswered or were answered as indirectly as the avenue through which I received your response. I hope to receive more enlightening answers to my concerns and ask that the views I expressed in this letter will be shared with your board members immediately.

We look forward to hearing from you.

Yours sincerely,

BILL RICHARDSON.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

(Mr. METCALF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REVISIONS TO ALLOCATION FOR  
HOUSE COMMITTEE ON APPRO-  
PRIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, pursuant to Sec. 314 of the Congressional Budget Act, I hereby submit for printing in the CONGRESSIONAL RECORD revisions to the allocations for the House Committee on Appropriations printed in House Report 106-683.

Floor action on H.R. 4635, the bill making fiscal year 2001 appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, removed the emergency designation from \$300,000,000 in budget authority contained in the House-reported bill. Outlays flowing from the budget authority totaled \$13,000,000. Accordingly, the allocations to the House Committee on Appropriations are reduced to \$601,180,000,000 in budget authority and \$625,735,000,000 in outlays. Budgetary aggregates become \$1,529,385,000,000 in budget authority and \$1,494,956,000,000 in outlays.

INDIA IS VICTIM OF PAKISTANI-  
EXPORTED TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.