

Section 232 Investigation: Uranium Imports

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On July, 12, 2019, [President Trump declined to impose quotas or](#) other trade measures on imports of uranium materials under Section 232 of the Trade Expansion Act of 1962 ([19 U.S.C. §1862](#)). The President did not concur with the U.S. Department of Commerce's (Commerce's) findings that "uranium imports threaten to impair the national security of the United States as defined under section 232." As part of his decision, the President established a Nuclear Fuel Working Group to "examine the current state of domestic nuclear fuel production to reinvigorate the entire nuclear fuel supply chain," and report to the President within 90 days. The Commerce report has not been published.

Uranium Section 232 Investigation

On January 16, 2018, two U.S. domestic uranium mining and milling companies [petitioned](#) Commerce to investigate whether uranium imports from foreign state-owned enterprises pose a threat to national security. Section 232 provides the President with the ability to impose restrictions on certain imports based on an affirmative determination by Commerce that the product under investigation "is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security." (For more information, see CRS Report R45249, [Section 232 Investigations: Overview and Issues for Congress](#).)

The investigation into uranium imports sparked a debate between uranium producers, uranium mine and mill operators, and electric power utilities, nuclear reactor operators, and other suppliers. [Uranium producers asserted](#) that a heavy reliance on foreign uranium constitutes a national security risk and threatens the viability of domestic uranium production. Conversely, [nuclear utilities and reactor operators asserted](#) that increased fuel costs from trade restrictions would impose additional financial burdens, potentially causing the premature shutdown of [economically marginal](#) nuclear power plants. Stakeholders on both sides of the debate generally agreed that the proposed quotas would increase fuel costs for nuclear reactor operators and increase revenues for domestic uranium mining.

Background

[Nuclear power contributes roughly 20%](#) of the electrical generation in the United States. Uranium is the fundamental element in fuel used for nuclear power production. The front-end of the nuclear fuel cycle considers the portion of the nuclear fuel cycle leading up to electrical power production in a nuclear reactor, and has four stages: mining and milling, conversion, enrichment, and fabrication. At each stage of the nuclear fuel cycle, U.S. nuclear utilities and

reactor operators purchase different types of uranium materials and services through private contracts on a global marketplace.

Since the late 1980s, U.S. nuclear utilities and reactor operators have purchased increasingly more foreign-origin uranium for reactor fuel than domestically produced uranium. In 2018, U.S. civilian nuclear power reactor owners and operators purchased nearly 75% of their [total uranium deliveries](#) originating from four countries: Canada (24%), Kazakhstan (20%), Australia (18%), and Russia (13%). U.S. origin uranium purchases were nearly 10%. (For more information, see CRS Report R45753, [The Front End of the Nuclear Fuel Cycle: Current Issues](#).)

Prior to 1971, the United States supported uranium production under federal procurement contracts largely for the development of nuclear weapons. The United States ceased production of highly enriched uranium (HEU) for nuclear weapons by 1964, and enrichment of HEU for naval propulsion ended by 1992. According to the Department of Energy's National Nuclear Security Administration (NNSA), the United States currently does not have [domestic uranium enrichment capability](#). Today, fuel for nuclear naval propulsion is supplied by government HEU stockpiles, which NNSA [reported sufficient to meeting naval reactor's demand](#) through 2060.

Presidential Determination

The investigation into uranium imports was the Trump Administration's fourth Section 232 investigation resulting in some form of presidential action; Commerce found a national security threat in all four cases. As a result of the prior investigations that were each self-initiated by the Administration, President Trump applied tariffs on certain steel and aluminum imports and, separately, initiated negotiations with Japan and the European Union to address the threat found to be posed by imports of automobiles and certain automotive parts. A fifth investigation into imports of titanium sponge is ongoing. Although the Trump Administration determined not to impose restrictions on uranium imports, the President expressed concerns regarding national security, calling for a "fuller analysis of national security considerations with respect to the entire nuclear fuel supply chain" by the newly created Nuclear Fuel Working Group, co-chaired by the Assistant to the President for National Security Affairs and Assistant to the President for Economic Policy, and including representatives from other federal agencies.

One of the domestic uranium producers who submitted the Section 232 petition to Commerce expressed concern with the President's determination to not take actions on uranium imports, but also [applauded the Administration's acknowledgement](#) of the issues raised in their petition, stating, "We are very pleased to have gained the attention and action of the Administration to address the energy and national security issues raised in the petition and Department of Commerce investigation." Another [U.S. uranium producer](#), with uranium assets in the United States, Canada, and Kazakhstan, supported the President's determination to not take actions on uranium imports under Section 232.

Policy Questions

The uranium materials and service industry delivers fuel for commercial nuclear power reactors, which are largely traded and purchased under private contracts in a global marketplace. Similar to other energy markets, uranium supply is an issue on which Congress may or may not choose to act. As a broad policy matter, Congress may consider the federal role in issues associated with the front-end of the nuclear fuel cycle, including national security considerations.

The uranium investigation reflects broader policy questions about the congressional role under Section 232, among other issues. For example, under current federal law, trade actions imposed by the President under Section 232 do not require congressional approval. Bills have been introduced (e.g., [S. 287](#) and [S. 365](#)) in the 116th Congress that would amend Section 232. Provisions proposed in those bills would limit the scope of a future Section 232 investigation, shift some responsibilities from Commerce to the Department of Defense, require an impact analysis by the U.S. International Trade Commission, and/or provide for an explicit congressional role in the process.