

## **CONGRESSMAN STEVE PEARCE WOULD LIKE TO MAKE YOU AWARE OF THE FOLLOWING:**

- **SENATE HIGHWAY BILL INCLUDES A \$150 MILLION EARMARK FOR USEC (UNITED STATES ENRICHMENT CORPORATION)**
- **CONFEREES WILL HAVE TO DECIDE TO APPROVE OR REJECT THE EARMARK**
- **HOUSE APPROPRIATORS AND AUTHORIZING COMMITTEES ARE CONSIDERING ADDITIONAL EARMARKS FOR USEC**

### **USEC lost more money in one year than Solyndra did in two years**

- Sustained a \$540.7 million net income loss last year alone (2011)
  - Solyndra bankrupted its \$527 million loan over 2 years

### **USEC is a failing business**

- Congress privatized USEC in 1998, and was given \$1 billion worth of taxpayer uranium inventory
- 1998, months after privatization, USEC began seeking federal government subsidies to offset losses
- 46% decline in profitability within 3 years of 1998 Initial Public Offering
- USEC continues to rely heavily on U.S. Government subsidies
  - \$45 million loan provided by DOE in 2010
  - \$44 million funding provided by DOE in 2012
- USEC is worth less than \$120 million, but is seeking \$2.5 billion in additional earmarks and funding

### **USEC continues to seek government loans and bailouts**

- \$150 million earmark included in the Senate Highway Bill
- President Obama's FY'13 budget includes an additional \$150 million earmark
  - April 25, 2012 House Appropriations voted to provide \$100 million earmark
  - April 26, 2012: Senate Appropriations voted to provide \$150 million earmark
  - May 9, 2012: House Armed Services Cmte to consider \$150 million earmark
  - DOE considering \$2 billion loan

### **USEC used bailout money for executives**

- President/CEO received more than \$6.5 million in 2011
- In 2006, former President/CEO given golden parachute of over \$14.5 million

### **USEC credit rating has fallen consistently and significantly**

- In 2007, USEC's bond rating lowered by S&P to CCC+ ("vulnerable, and dependent upon favorable business, financial, and economic conditions to meet its financial commitments")
- In 2009, USEC's default rating downgraded by Moody's to Caa1 ("poor standing and high credit risk")

### **USEC's failed centrifuge technology is unproven**

- USEC centrifuge crash:
  - 6 of the 38 centrifuges failed in June 2011
    - \$9.6 million loss & catastrophic damage, resulting in failure to outer casing
    - Inspection of the plant revealed major, unresolved issues

### **USEC earmark impacts U.S. competitor**

- URENCO is located in the 2<sup>nd</sup> Congressional District of New Mexico
- URENCO's centrifuge technology has operated for over a hundred million hours without any failures