

CINTAC

Civil Nuclear Trade Advisory Committee

CINTAC Letter Regarding the use of Memoranda of Understanding to Further Civil Nuclear Cooperation

May 8, 2019

The Honorable Wilbur L. Ross
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, DC 20230

Dear Mr. Secretary:

The Civil Nuclear Trade Advisory Committee (CINTAC), as an advisor to you on civil nuclear trade issues, would like to bring to your attention an opportunity to expand international civil nuclear commerce. During the initial Sixth Charter CINTAC meeting, the State Department requested that the CINTAC provide input into the NCMOU process.

CINTAC recommends that you share the following recommendations and perspectives with your peers in the Department of State, the Department of Energy, and the future Board of the U.S. International Development Finance Corporation for consideration in any future NCMOUs.

As you are aware, Dr. Christopher Ford, U.S. Department of State Assistant Secretary, Bureau of International Security and Non-proliferation, outlined a new approach to Civil Nuclear Cooperation Policy on February 26, 2019. This new policy approach to international cooperation envisages using a Nuclear Cooperation Memoranda of Understanding (NCMOU) to advance policy and trade objectives. Dr. Ford identified four (4) desired outcomes of the approach:

1. U.S. industry and government experts carve out critical roles at the cutting edge of the civil nuclear business;
2. These emerging technologies make cooperation with the United States attractive and even essential;
3. American jobs in this sector boom and U.S. industry competes successfully even against foreign “national champions” that benefit from massive state subsidies and state-sponsored technology theft; and
4. We work together with our international partners to share the benefits of nuclear technology ever more widely, and ever more responsibly, under state-of-the-art “best practices” in nuclear safeguards, safety, and security.

This letter recommends content, funding approaches and targets for consideration in establishing NCMOUs, which the US civil nuclear industry believes would help to ensure the desired outcomes are met.

Recommendation 1: Content

The NCMOU is a diplomatic tool with expected policy, trade and competitive outcomes. To ensure that U.S. civil nuclear industry can proactively support and follow the signing of an eventual agreement with meaningful engagement, the NCMOU should focus on areas where industry can add value. We recommend that the NCMOUs include areas, such as those listed below. These are areas where industry has broad capabilities, deep expertise and agrees that commercial opportunities exist:

- i. National nuclear standards based on U.S. standards
- ii. National nuclear regulatory framework based on the U.S. or equivalent
- iii. Commercially viable nuclear liability regime
- iv. Human capital development, education, training and assistance programs
- v. Infrastructure development and support programs
- vi. Communications, outreach and public opinion research support
- vii. Civil nuclear program feasibility
- viii. Commercial nuclear program development

US industry has significant state-of-the-art, world class experience and expertise in these areas that significantly exceed our international competitors. The U.S. can deploy these capabilities to strengthen the country-to-country relationship and grow trade.

Recommendation 2: Funding Approaches

To ensure that US entities can engage in the areas of cooperation, there must be a way to fund the cooperation and resulting nuclear project opportunities. This is especially important in those countries where the possibility of a program exists, and the country has limited resources to dedicate to the cooperation. Without a funding mechanism, cooperation will be limited. Foreign “state-sponsored” organizations address this issue with sovereign funds. Many of the areas identified above are programmatic, i.e. they do not involve special nuclear materials, nuclear technology or specific designs, and therefore should be able to be supported by trade development funds. United States Export-Import Bank loan programs are essential for Commercial nuclear program development; however, they are not a good fit to support programmatic areas (i.) through (vii.) as discussed above. It will be critical to the success of NCMOUs that the US International Development Finance Corporation and other agencies be empowered to, and have policies that, actively support NCMOUs, analogous to other government-to-government sales programs.

Recommendation 3: Targets

In line with the recommendations above, the members of CINTAC believe there would be value in strengthening the civil nuclear cooperation between the United States and the countries below. A number of these “Developing Nuclear Countries” are weighing possible development of a civil nuclear power generation program. In addition, the members of CINTAC believe that NCMOUs could be used to strengthen relationships and catalyze nuclear trade among countries with developed nuclear programs, where a 123 agreement may already be in place. These “Developed Nuclear Countries*” are also listed below. This is an initial list and will likely evolve. CINTAC will advise of changes in country status and our priorities as they occur.

Developing Nuclear Countries

Developed Nuclear Countries

Estonia
Ghana
Indonesia
Jordan
Kenya
Lithuania
Malaysia
Morocco
Namibia
Nigeria
Philippines
Poland
Saudi Arabia
Singapore
Vietnam

Argentina
Brazil
Czech Republic
India
Romania
Slovenia
South Africa
South Korea
UK

CINTAC fully supports the policy approach to NCMOUs. This approach can strengthen the competitiveness of the US civil nuclear power industry in the face of foreign “state-sponsored” organizations and increase trade. The members of CINTAC would be pleased to engage more deeply on this issue, to provide specific input for individual target countries on a case-by-case basis, and to play a larger role supporting you and your peers in development of individual NCMOUs.

Thank you for the opportunity to support programs that are in the best interest of the US civil nuclear industry. The members of CINTAC, look forward to working with you and your team on this initiative, and others that are of mutual interest.

Sincerely and on behalf of the members of CINTAC,



Chris Colbert, Chairman

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Jeff Harper, Vice Chairman

Civil Nuclear Trade Advisory Committee (CINTAC)

Alphabetical by company name

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- 6) H.M Hashemian – President, Analysis and Measurement Services Corporation
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- 8) Glenn Neises – Nuclear Director, Burns & McDonnell
- 9) Joseph Miller – Director, Advanced Technology Programs, BWX Technologies, Inc.
- 10) Michael Whitehurst – Director, Business Development, Centrus Energy Corp.
- 11) Gary Wolski – Vice President, Nuclear Division, Curtiss-Wright
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