

CINTAC

Civil Nuclear Trade Advisory Committee

May 13, 2011

The Honorable Secretary Gary Locke
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Locke,

The Civil Nuclear Trade Advisory Committee (CINTAC) wants to thank you for your strong support in establishing this forum to allow us to directly communicate with you on issues of vital importance to industries exporting commercial nuclear energy products and services. As you know, the framework agreements which allow these exports are defined by the Atomic Energy Act of 1954 for peaceful nuclear cooperation with foreign countries, and have been in place for over fifty years. Recent legislative action puts the framework in jeopardy.

We ask that you vigorously oppose the recent House Committee on Foreign Affairs action on the Peaceful Nuclear Cooperation with Foreign Countries (HR 1280) and ask that you urgently marshal Administration opposition to this bill. Changes to the current framework will gravely impact our competitiveness in overseas markets, cost jobs at home, and diminish U.S. influence overseas to advance our national non-proliferation objectives.

These exports are “big ticket” items, and such exports therefore can make a major contribution to the President’s goal of doubling exports in five years. The Department of Commerce has forecast the macro-economic numbers for the international market for nuclear equipment and services at \$500-740 billion over the next ten years.

Every \$1 billion in U.S. commercial nuclear exports supports 5,000 to 10,000 domestic jobs; or a total of jobs supported in the range of 2.5 to 7.4 million over ten years. The components contained in these plants can also help expand the domestic manufacturing sector. We have attached a fact sheet describing the value of commercial nuclear exports and the connection to U.S. jobs.

A vibrant U.S. commercial nuclear supplier presence overseas not only impacts domestic economic prosperity, it also advances U.S. national security objectives. Further, our absence undermines U.S. non-proliferation goals. American nuclear suppliers in overseas markets carry high standards for safety and comply with rigorous export control requirements. Reducing U.S. engagement will not limit the access of these nations to nuclear technology. It will merely encourage these nations to partner with other supplier nations which may or may not place the same high value on nuclear security, safety and non-proliferation that the U.S. does.

Section 123 Agreements establish a framework for peaceful nuclear cooperation, but it is the cooperation and subsequent commercial engagement permitted by the agreements that influence the direction and standards of other nations’ nuclear program for decades.

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We ask that you please oppose the current House legislative action, so that U.S. industry can continue to expand our commercial nuclear exports, which will in turn grow U.S. market share and influence in global markets.

On behalf of the CINTAC, I wish to express our sincere appreciation for your leadership in support of the nuclear industry.

Sincerely, and on behalf of the members of CINTAC,



Edward J. Wolbert

Chairman

Civil Nuclear Trade Advisory Committee

President & CEO - Transco Products Inc.

Attachment

cc: Secretary Chu – U.S. Department of Energy
Secretary Clinton – U.S. Department of State
Members of the CINTAC

The Honorable Secretary Gary Locke

May 13, 2011

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Members of the CINTAC

Mr. Edward J. Wolbert, CINTAC Chair, President & CEO, Transco Products Inc.

Mr. Jeff Benjamin, CINTAC Vice-Chair, Principal, JB Global Energy, LLC

Mr. Scott Campbell, President, American Council on Global Nuclear Competitiveness

Dr. Tom Sanders, Past President, American Nuclear Society

Mr. John Bendo, Nuclear Energy Business Manager, American Society of Mechanical Engineers

Ms. Jane Howard, Manager, Global Market Access, Bechtel Corporation

Mr. Ganpat Mani, President, ConverDyn

Mr. Jack Edlow, President, Edlow International Company

Mr. Garry G. Young, Director, Nuclear Business Development, Entergy Nuclear

Mr. Donald Hoffman, President & CEO, EXCEL Services Corporation

Mr. Kevin Carrabine, Executive Director, Business Development, Exelon Nuclear Partners

Mr. B. Chris Tye, Senior Vice President, Nuclear, Fluor Corporation

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Dr. Bill Woodward, Senior Vice President, Nuclear Projects, Holtec International Inc.

Mr. Christopher Guith, Vice President – Policy, Institute for 21st Century Energy at the U.S. Chamber of Commerce

Mr. Seth Grae, President & CEO, Lightbridge Corporation

Mr. Jason Leuck, Director, Technology Policy & Regulation, Lockheed Martin Corporation

Mr. Paul Murphy, Senior Attorney, Milbank, Tweed, Hadley & McCoy LLP

Mr. Jay Matthew Gutierrez, Partner, Nuclear Energy Practice, Morgan, Lewis & Bockius LLP

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Mr. Wallace Mays, President, W M Mining Company

Mr. Ahmad E. Amer, President, Amer Industrial Technologies, Inc.

Mr. Anthony Greco, Senior Vice President, Human Resources and Corporate Relations, Westinghouse Electric Company

Increasing Commercial Nuclear Energy Exports = More U.S. Jobs

Worldwide, over 150 new nuclear plant projects are in the licensing and advanced planning stage, with over 60 currently under construction¹. The demand for high-quality commodities, components and services provides an export opportunity for U.S. manufacturers.

New Plants Abroad = Export Opportunities = Jobs and Economic Benefits

- The Commerce Department estimates the international market for equipment and services at \$500-740 billion over the next 10 years.
 - As a rule of thumb, every \$1 billion of exports by U.S. companies supports 5,000 to 10,000 domestic jobs.
 - Key markets will not be slowed by events in Japan. Leaders in China, India and other countries where future growth is concentrated have already indicated they will go forward.
- Due to their size and complexity, nuclear plants create a broad range of export opportunities. For example, depending upon the design, a single new nuclear power plant requires approximately:
 - 500 to 3,000 nuclear grade valves
 - 125 to 250 pumps
 - 44 miles of piping
 - 300 miles of electric wiring
 - 90,000 electrical components².

US Nuclear Plants = Showcase For Global Sales = Domestic Economic Benefits³

- The nuclear energy industry can play an important role in stimulating job creation.
 - 1,400 – 1,800 jobs during construction on average (with peak employment as high as 2,800 jobs per unit)
 - Approximately 700 permanent jobs when the plant is operating: These jobs pay 36% more than average salaries in the local area.
 - The 700 permanent jobs at the nuclear plant create an equivalent number of additional jobs in the local area (e.g., car dealers, dry cleaners, food service, etc.).
- Nuclear plants provide both near-term and lasting economic benefits.
 - The average nuclear plant generates approximately \$430 million a year in total output for the local community, and nearly \$40 million per year in total labor income.
 - The average nuclear plant generates approximately \$20 million per year in state and local taxes. These tax payments support schools, roads and other state and local infrastructure.
 - The average nuclear plant generates approximately \$75 million per year in federal taxes.

¹ World Nuclear Association, January 2011

² "Manufacturing Capacity Assessment for New U.S. Nuclear Plants," NEI, April 2007

³ "New Nuclear Plants: An Engine for Job Creation, Economic Growth," NEI, October 2010

CINTAC

Civil Nuclear Trade Advisory Committee

June 16, 2011

The Honorable Gary Locke
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Locke,

The Civil Nuclear Trade Advisory Committee (CINTAC) continues to be grateful for your strong support of the work of the committee, and of the U.S. civil nuclear industry. In September 2010, the first CINTAC provided you with a set of recommendations that included the establishment of an Office for Civilian Nuclear Policy within the National Security Council. We endorse those earlier recommendations, and would like to add specific recommendations concerning the role of this Office and its Director.

The United States has vital security, safety and economic interests in the rapidly expanding, world-wide development of nuclear power. These complex and complementary interests have recently been highlighted as a result of the events at the Fukushima Dai'ichi nuclear facility in Japan, as well as events in the Middle East and other regions. The United States pursues its interest in the international commercial nuclear sector through a complex set of rules, regulations and agreements administered by the Departments of Energy, Commerce and State, as well as the Nuclear Regulatory Commission.

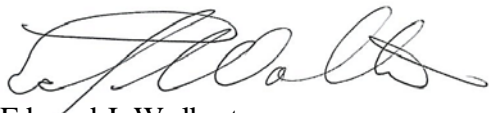
The success of the U.S. commercial nuclear industry, and its ability to compete in the international nuclear markets, is closely tied to how the government, through its agencies and departments, administers its interests. Due to the complexity of the policies that impact the civilian nuclear sector and the strategic importance of domestic civilian nuclear sector engagement in international nuclear development, it is recommended that an Office for Civilian Nuclear Policy be established within the National Security Council to:

- coordinate international aspects of U.S. civil nuclear policy including conducting an assessment of current policy alignment and its impact on international civilian nuclear engagement
- convene relevant federal agencies to ensure that they are well coordinated and aligned with regard to international civilian nuclear policy
- identify countries and regions in which expanded civilian nuclear engagement will:
 - enhance broader U.S. foreign policy goals
 - expand commercial opportunities for U.S. suppliers
- serve as the key interface and advocate for the commercial nuclear industry with regard to international treaties and agreements, Cabinet-level trade advocacy and international civil nuclear policy development
- coordinate policy with the National Security Council, the National Economic Council, the President's Export Promotion Cabinet and the Domestic Policy Council
- marshal USG programmatic support of U.S. industry commercial bids in strategic markets.

It is strongly recommended that the staff chosen to lead this effort should have an excellent knowledge of the international civilian nuclear industry and also be familiar with federal policies affecting the civilian nuclear sector.

On behalf of the CINTAC, I wish once more to express our sincere appreciation for your leadership in support of the nuclear industry.

Sincerely, and on behalf of the members of CINTAC,

A handwritten signature in black ink, appearing to read 'E. Wolbert', written in a cursive style.

Edward J. Wolbert
Chairman
Civil Nuclear Trade Advisory Committee
President & CEO - Transco Products Inc.

cc: Secretary Chu – U.S. Department of Energy
Secretary Clinton – U.S. Department of State
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Mr. Ahmad E. Amer, President, Amer Industrial Technologies, Inc.
Mr. Anthony Greco, Senior Vice President, Human Resources and Corporate Relations, Westinghouse Electric Company

CINTAC

Civil Nuclear Trade Advisory Committee

November 21, 2011

The Honorable John Bryson
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Bryson,

The Civil Nuclear Trade Advisory Committee (“CINTAC”) is an advisory board to the U.S. Secretary of Commerce. Its charter is to advise the Secretary on the promotion of U.S. nuclear exports. In this capacity, CINTAC strongly recommends that the Department of Commerce engage with the Overseas Private Investment Corporation (“OPIC”) to reverse OPIC’s current prohibition on supporting commercial nuclear projects (which includes uranium mining operations).

In November 2010, OPIC adopted a rule prohibiting its involvement in the production of, or trade in, radioactive materials, including nuclear reactors and components thereof. The rule formalized an existing OPIC policy against supporting nuclear projects and harmonized its list of excluded projects with that of the International Finance Corporation.

By the Department of Commerce’s own estimate, the global commercial nuclear market will reach \$500-740 billion over the next decade. Most of this commercial activity is concentrated in the developing world. The ability to support civilian nuclear power programs and mining operations would advance OPIC’s policy to solve critical world challenges by stimulating markets in developing nations. Many of these nations rely largely on power plants fueled by coal or distillates. New nuclear power projects will improve the quality of life in developing countries by expanding electricity production, while reducing pollution and carbon emissions (noting nuclear power’s zero carbon emissions impact). Nuclear power projects will enhance energy security in developing economies by increasing the diversity of energy sources. One of the advantages of OPIC participation and U.S. involvement in both commercial nuclear power and uranium mining operations is that it facilitates non-proliferation, sustainability, and environmental stewardship goals.

When American industry can compete on equal terms, we can win overseas projects, because of our innovation and experience. Ironically, the majority of commercial nuclear technologies marketed by other nations are based on technologies originally developed in America. In spite of our technological leadership, American companies face intense competition, specifically in the area of the development and financing of commercial nuclear power projects and uranium mining operations.

Financing is one of the greatest challenges to the development of nuclear projects. It has recently become a key differentiating factor in the procurement process. Specifically, the “tied equity” structures being employed in places like Lithuania, where nuclear vendors are being asked to invest significant equity in the project itself, are becoming more prevalent. The Russian build-own-operate offering for Turkey at Sinop is the most extreme example of this equity driven approach. These

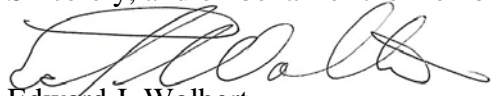
structures are not unique to overseas markets, as similar structures have been employed in the United States at STP 3 & 4 and North Anna 3, with support from JBIC in each case.

OPIC can, and should, play an influential role in supporting equity investments abroad, as U.S. companies are forced to meet the “strategic investor” demands of nuclear project developers. On the mining side, without the support of OPIC, U.S. companies will have difficulty developing uranium mining operations, recognizing that a major portion of uranium resources are located outside of the United States, often in countries with routinely high country risk ratings.

Combined with the debt financing that can be provided by the Export-Import Bank of the United States, OPIC can play a facilitating role for U.S. companies, as they pursue opportunities overseas. Without support from OPIC, U.S. nuclear suppliers will be at a significant competitive disadvantage. Through both financing (direct loans and guarantees) and insurance coverage (currency inconvertibility, expropriation, political violence, terrorism), OPIC has a number of tools through which it can materially support U.S. nuclear investments overseas.

It is difficult to understand why OPIC has adopted its current stance, given its mission and role, at a time when financing of nuclear power plants presents such a challenge to American industry as it pursues the international market. CINTAC urges you to work with OPIC to level the playing field for the U.S. nuclear industry by reversing OPIC’s current policy that currently prohibits it from supporting commercial nuclear projects abroad.

Sincerely, and on behalf of the members of CINTAC,



Edward J. Wolbert

Chairman

Civil Nuclear Trade Advisory Committee

President & CEO - Transco Products Inc.

Consensus by the Members of the CINTAC

Mr. Edward J. Wolbert, CINTAC Chair, President & CEO, Transco Products Inc.
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CINTAC

Civil Nuclear Trade Advisory Committee

December 21, 2011

The Honorable John Bryson
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

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U.S. EXECUTIVE SECRETARIAT

Dear Secretary Bryson,

The Civil Nuclear Trade Advisory Committee ("CINTAC") is an advisory board to the U.S. Secretary of Commerce. Its charter is to advise the Secretary on the promotion of U.S. nuclear exports. In this capacity, CINTAC strongly recommends that the Department of Commerce ask the Department of Energy to withdraw and re-propose the draft 10 CFR 810 rule that was posted for public comment on September 7, 2011, in a manner that recognizes national security interests without unnecessarily restricting legitimate commercial activity.

After careful examination of the proposed rule, CINTAC members believe that the commercial impacts will exceed a threshold for "significant regulatory actions" defined in Executive Order 12866 as "hav[ing] an annual effect on the economy of \$100 million or more." We recommend that you ask the Department of Energy to address the significant impacts of the proposed regulation, and take the required actions in accordance with the Executive Order.

Additionally, the proposed rule sends the wrong message to client countries around the world, making it harder to work with American companies. The proposed rule is inconsistent with two other Administration activities - the President's National Export Initiative and the President's Export Control Reform Initiative. For all these reasons, the proposed rule would unduly burden industry and does nothing substantively to protect nuclear technologies that present the greatest proliferation and national security risk.

Specifically, the proposed rule:

- Does not provide a defined timeframe for the authorization processing. There is no method established for prioritizing of authorization requests based on project deadlines or size. While it is recognized that a large nuclear plant does not get built overnight, many times the ability to exchange technology with a client in a prompt fashion either makes or breaks a commercial relationship. In many cases, the tender process for nuclear power work has a shorter timeframe than processing time generally required for 10 CFR 810 specific authorizations. By significantly expanding the scope of technologies covered in the proposed rule and nearly doubling the number of countries that require specific authorization, U.S. firms will be unable to compete for work in some of the fastest growing nuclear markets.

For example, the proposed Part 810 rule now adds technologies for the storage and movement of irradiated materials. With this addition, spent fuel storage and transport technologies,

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currently not controlled by the NRC's 10CFR110 regulations, would need to comply with the Part 810 regulations. The tender process for contracting this business abroad occurs within months and, if held to the proposed Part 810 compliance, this business totaling hundreds of million dollars per year could not be realistically pursued by US firms. The result would not only be an economic loss to the US but also would represent a loss in the US involvement in curtailing proliferation. With new nuclear plants costing over \$4 billion to build and the number of countries seeking to build new plants growing, it is vital that the best export licensing regime be in place at both the macro level, as well as at the individual transaction level.

- Reinforces the perception by foreign customers that, when it comes to commercial nuclear exports, "the U.S. is too difficult to work with." Many nations have announced plans to develop or expand civil nuclear power programs. While the U.S. offers the most advanced technologies, many countries are already electing to procure nuclear products and services from the other nuclear supplier nations to avoid the bureaucratic delays and lack of predictability in the U.S. export licensing process. Other supplier nations include Canada, China, France, India, Japan, South Korea and Russia. We do not believe rule makers considered the barrier this perception raises when counting the economic impact of the number of possible applications under a new rule. Potential client countries will avoid American technology because of this perception. A truly transformed and streamlined rule could open the floodgate for applications, if the license process is predictable, clear, transparent, efficient and delivered in a trusted timeframe.
- Does not clearly demonstrate the new proliferation or national security threats that justify changes to require specific authorization for 73 additional countries. This alone causes great economic disruption. These 73 nations are currently generally authorized for assistance under the existing rule. Changing their status disrupts existing business relationships that U.S. firms have with Mexico, Malaysia, Croatia, Philippines, Jordan and Chile, among others. Mexico, in particular with its Laguna Verde Nuclear Plant, could be severely impacted by these rules, as could the U.S. firms that annually provide substantial fuels and services to this plant. These costs must be accounted for in considering the new rule. Additionally, under the proposed 73 country change to the restricted list deals with the change at the individual level and the new proposal for dealing with "deemed exports". Skilled engineers and technicians with nuclear expertise and training are in short supply. By drawing the new licensing line between adjacent countries, a company can be left with different license restrictions for workers at one nuclear project. For example, under the current rule, engineers from Croatia, Bosnia and Serbia can, and do, work at the Krško nuclear power station, which is jointly owned by Croatia and Slovenia), but in the proposed rule, Slovenia is on the generally authorized list, and Croatia, Bosnia and Serbia are moved to the specific authorization required list. If the rules go into effect immediately, American companies may be doing work approved at Krško in Slovenia, but then be unintentionally disclosing American "technology" to Bosnian, Serb and Croatian workers. There is a huge economic and reputational cost to changing the rules in mid-stream.

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Secretary – U.S. Department of Commerce
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- Is not aligned with two other Administration initiatives already underway; the National Export Initiative and the Export Control Reform Initiative. In the Executive Order announcing the President's National Export Initiative, the rationale to double exports within five years begins: "The NEI shall be an Administration initiative to improve conditions that directly affect the private sector's ability to export." The proposed rule must streamline the licensing process for clarity, predictability, transparency and efficiency to facilitate exports. Additionally the President's Export Control Reform initiative has been described as export control reform "to build higher fences around fewer crown jewels". In contrast, the proposed 10 CFR 810 rule expands the scope of the technologies covered, and increases the number countries carrying a license requirement.

In conclusion, once the actual costs of the proposed rule are aggregated by DOE and reviewed by the Office of Information and Regulatory Affairs, we look forward to seeing modifications in the proposed rule to reduce the burden on U.S. industry and to focus on protecting nuclear technologies that present the greatest proliferation and national security risks.

Principles the industry would like to see in the future rule would include this type of guidance:

1. Based on the current rule, the Part 810 rules apply only to technology related to fuel design and manufacturing, reprocessing, enrichment, reactivity-control and core design in nuclear power reactors. There are other systems, structure and components in a commercial nuclear power plant, as well as associated activities, which are not, or should not be, subject to Part 810 regulation. Guidance clarifying the demarcation line at the export control boundary would be welcome. This scope might include a defined list of covered technologies and activities that mirrors those found in NRC's Appendix A 1-8 to 10CFR110 to help assure standardized approaches across licensing agencies involved.
2. Clarification is needed to show that the definition of "U.S. person" in the proposed Part 810 rule aligns with the definition used by the Department of Commerce and its interpretation of dual nationals. More clarification on the appropriate use of umbrella authorizations must be included.
3. The proposed rule must also state that visits to nuclear facilities of the type that are open to the public are within the definition of "public information."
4. Clarification is needed on the retransfer assurance process for primary suppliers. Clarification should also address the second and third tier suppliers which might be covered in this process.
5. Clarification is needed to determine the point at which foreign technology is sufficiently transformed to be considered subject to the 10CFR 810. When the work product is the result of a collaborative engineering effort in an electronic environment which crosses borders, the question remains outstanding in the proposed rule. There should also be a de minimis threshold at which point 10 CFR 810 controls do not apply.

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6. Examples of generally approved activities of “assistance” and sharing of best operating and safety practices would also be helpful.

In order to promote U.S. nuclear exports from the Department of Commerce perspective, we request that you ask that the economic cost of the new proposed rule be officially measured. Additionally, please send our endorsement that the effort to update and reform the rule is an important government/industry joint effort which must help meet other Administration goals – to simplify and reform the export control rules in order to help double exports. We appreciate your sharing the additional principles we’d like to see in the revised proposed rule.

Sincerely, and on behalf of the members of CINTAC,



Edward J. Wolbert
Chairman
Civil Nuclear Trade Advisory Committee
President & CEO - Transco Products Inc.

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The Honorable John Bryson
Secretary – U.S. Department of Commerce
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CINTAC

Civil Nuclear Trade Advisory Committee

September 25, 2012

The Honorable Rebecca Blank
Acting Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Madam Secretary,

The Civil Nuclear Trade Advisory Committee (“CINTAC”) is an advisory board to the U.S. Secretary of Commerce. Its charter is to advise the Secretary on the promotion of U.S. nuclear exports. Over the course of its existence, CINTAC has provided significant elements of consensus advice that have been incorporated and acted upon by the Secretary and the Department of Commerce at large. We would point out our recommendation that the Secretary encourage and facilitate the creation of a position to convene and coordinate the various agencies and Departments in support of civil nuclear power. This resulted in the creation of the position of Director of Nuclear Energy Policy at the White House, which is currently held by Ms. Joyce Connery. CINTAC also advised the Secretary to begin work on creating what has come to be known as “Team USA” for the promotion of U.S. civil nuclear trade, and the Department of Commerce has since made significant progress in this area. Acting on the advice of CINTAC to the Secretary, the Department of Commerce held a Civil Nuclear Financing Roundtable, encouraged the reauthorization of the U.S. ExIm Bank, discouraged passage of HR 1280, and provided feedback to the Department of Energy on 10CFR810 revisions.

While these successes have been significant, much remains to be done in order to restore U.S. civil nuclear trade to the point where it meets the mutual strategic goals of the administration and industry alike. The following key issues and actions remain:

- **International Agreements and Regulatory Matters:** Bringing the Convention on Supplementary Compensation (CSC) must be the highest diplomatic priority, because it is a vital risk management tool that encourages U.S. companies to enter markets where nuclear liability protection might otherwise be absent. We encourage the government to meet regularly with industry for better alignment and earlier work on 123 Agreements. The reformed 810 licensing rules should expedite trade and bring certainty to processing and timeliness in issuing licenses. The implementing regulations for the CSC must be fact-based, and must be developed over enough time to include consideration for the economic impact of such an additional cost on exporting and on our competitiveness.
- **Technology:** The Department of Commerce should work with other branches of the government to develop a technology roadmap that includes strategies to increase industry familiarity with the resources offered by the national laboratories, encourages new technologies by leveraging those national laboratory resources and capabilities, develops

Civil Nuclear Trade Advisory Committee

The Honorable Rebecca Blank
Acting Secretary – U.S. Department of Commerce
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cost share programs to mitigate front end costs of new technology, provides funding and resources to support U.S. involvement in the Fukushima clean-up effort, supports continuous research on closing the fuel cycle and development of Gen 4 reactors, and continues support of industry trade technology groups such as the Edison Welding Institute and the Nuclear Fabrication Council.

- **Team USA:** The Department of Commerce should continue to promote the concept of TEAM USA by 1) placing increased resources and emphasis on the promotion of US nuclear technology through trade missions and the sponsorship of TEAM USA exhibits at international conferences; 2) promoting the consideration of the needs of the commercial US nuclear industry by the Department of Energy and the State Department in their development of policies and regulations; and 3) continuing to work to see the needs of the US nuclear industry are addressed at the highest level of US government discussions with the governments of those countries seeking US nuclear technology. This should include support for 2nd & 3rd tier U.S. companies being promoted for participation in new builds across the world even if US NSSS suppliers do not win the nuclear reactor business
- **Workforce Development:** To help maintain and grow the technically competent U.S. nuclear workforce necessary for continued competitiveness in a global nuclear market, the U.S. government should ensure adequate funding and support for Science, Technology, Engineering and Mathematics (STEM) education initiatives as a national priority in the relevant federal budgets for STEM initiatives. Additionally, a priority should be placed on stable, consistent and coordinated federal funding for the Integrated University Program (IUP) related to nuclear engineering scholarships, fellowships, and faculty and curriculum development efforts that are currently administered jointly by the DOE, NRC and NNSA.
- **Advocacy:** The scale and scope of commercial nuclear projects are substantial and the impact on US job creation or sustainability is significant, numbering in the thousands. There are currently several new plant opportunities being pursued by US suppliers for which the USG has provided significant support. However, the advocacy branch of the DoC is resource constrained in its ability to support these efforts. We request the secretary reallocate funding and resources to the advocacy branch devoted to commercial nuclear export opportunities. This will increase USG focus, improve the probability of success for these important tenders and provide substantial support for the President's Nuclear Export Initiative.
- **Financing:** The Department of Commerce should organize a second nuclear financing forum, as a continuation of the intra-governmental dialogue that began with the first nuclear financing forum in April 2012, with the proper dedication of resources to conduct stakeholder and industry dialogue in advance of such forum in order to enable a solutions-based approach to the challenges of financing nuclear power projects. In addition, the Department of Commerce should continue to monitor progress on the reform of OPIC's current policy prohibition on nuclear financing, with the follow-on goal of advocating similar changes at World Bank / IFC and at regional development banks.

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Finally, the Department of Commerce should consider ways of promoting the Export-Import Bank of the United States within the Team USA framework and should advocate for a governmental review of Ex-Im's current suite of financial tools in order to consider further financing options that are currently utilized by other OECD member state export credit agencies and which might be beneficial to U.S. exporters.

- Fuel Cycle: The US government needs to quickly develop and implement a plan to handle spent nuclear fuel. Without this step, U.S. companies will be hindered in front-end deployment of reactors, fuel, and services domestically and overseas since buyers desire a complete nuclear solution, including the back-end of the fuel cycle. Additionally, the US Government should take urgent action on open recommendations 2, 5, 6, 7 & 8 in CINTAC's letter to the Secretary dated September 16, 2010.

Furthermore, we have noted with significant concern that other countries have chosen to prioritize their civil nuclear industries as strategic assets, and have put significant time and resources into securing victories around the globe for their technologies and their industries as a whole.

We therefore make two recommendations to the Secretary:

The first recommendation is that the Secretary of Commerce takes on the leadership position within the U.S. government to secure the United States position as the recognized global leader in the export of peaceful civil nuclear technology. This leadership would take the form of direct engagement within government to coordinate and expedite inter-agency action that would clear hurdles for U.S. industry. A number of examples of those hurdles, and the inter-agency action are noted in the bullet points above. This leadership would also take the form of engagement with industry. We would request that the Secretary personally meet with CINTAC at least once per year to have a direct dialogue on the issues and recommendations, to actively promote the Global Nuclear Competitiveness Initiative, and to expand trade promotion activities within the Department of Commerce. This leadership would also take the form of engagement with the public. CINTAC would request that the Secretary deliver a major speech on the administration's active role in the global expansion of U.S. civil nuclear industry interests, create additional forums for public education on the unmatched safety of U.S. civil nuclear technology, and promote the advancement of STEM programs to enable a robust and sustainable U.S. nuclear industry.

The second recommendation is that the Secretary of Commerce secure and allocate resources in order to develop fully the administrative capability needed to overcome the existing barriers and challenges facing U.S. civil nuclear companies. We specifically recommend that the Secretary provide additional staff and funding to support advocacy and outreach within the Department of Commerce; specifically as it relates to nuclear power activities at the International Trade Administration, the Commercial Service Offices and the Advocacy Center.

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U.S. companies in the international civil nuclear power sector are seeing unprecedented opportunities in the global marketplace. With U.S. industry and government working together, we believe that the U.S. can maintain its leadership position in the industry, in the non-proliferation dialogue and in creating job opportunities for American workers. We believe the Secretary of Commerce to be ideally positioned to lead, coordinate and facilitate that growth, and we encourage you to give full consideration to our recommendations above.

Sincerely, and on behalf of the members of CINTAC,



Edward J. Wolbert
Chairman

Civil Nuclear Trade Advisory Committee
President & CEO - Transco Products Inc.

Civil Nuclear Trade Advisory Committee

The Honorable Rebecca Blank
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Members of the CINTAC

Mr. Edward J. Wolbert, CINTAC Chair, President & CEO, Transco Products Inc.
Mr. Scott Campbell, President, American Council on Global Nuclear Competitiveness
Dr. Tom Sanders, Past President, American Nuclear Society
Mr. John Bendo, Nuclear Energy Business Manager, American Society of Mechanical Engineers
Ms. Jane Howard, Manager (Retired), Global Market Access, Bechtel Corporation
Mr. Ganpat Mani, President, ConverDyn
Mr. Jack Edlow, President, Edlow International Company
Mr. Garry G. Young, Director, Nuclear Business Development, Entergy Nuclear
Mr. Donald Hoffman, President & CEO, EXCEL Services Corporation
Mr. Kevin Carrabine, Executive Director, Business Development, Exelon Nuclear Partners
Mr. B. Chris Tye, Senior Vice President, Nuclear, Fluor Corporation
Mr. David C. Durham, Senior Vice President, Global Sales & Marketing, GE Hitachi Nuclear Energy
Dr. Bill Woodward, Senior Vice President, Nuclear Projects, Holtec International Inc.
Mr. Christopher Guith, Vice President – Policy, Institute for 21st Century Energy at the U.S. Chamber of Commerce
Mr. Seth Grae, President & CEO, Lightbridge Corporation
Mr. Jason Leuck, Director, Technology Policy & Regulation, Lockheed Martin Corporation
Mr. Paul Murphy, Senior Attorney, Milbank, Tweed, Hadley & McCoy LLP
Mr. Jay Matthew Gutierrez, Partner, Nuclear Energy Practice, Morgan, Lewis & Bockius LLP
Ms. Carol Berrigan, Senior Director for Industry Infrastructure and Supply Chain, Nuclear Energy Institute
Mr. Bruce Landrey, Chief Marketing Officer, NuScale Power Inc.
Mr. James Goltz, President, Retech Systems LLC
Mr. Gerard Hanson, Director, Marketing and Sales, Rosemont Nuclear Instruments Inc.
Mr. Craig Hansen, Vice President, Nuclear Manufacturing, The Babcock & Wilcox Company
Mr. Lee Elder, Senior Vice President, Shaw Power, The Shaw Group Inc.
Mr. Frank Gilhooly, Director, Global Sales & Marketing, Tyco Flow Control
Dr. Vijay Sazawal, Director of Government Programs, USEC Inc.
Mr. Wallace Mays, President, W M Mining Company
Mr. Anthony Greco, Senior Vice President, Human Resources and Corporate Relations, Westinghouse Electric Company

CINTAC

Civil Nuclear Trade Advisory Committee

October 7, 2011

The Honorable Rebecca Blank
Acting Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Blank,

The Civil Nuclear Trade Advisory Committee (CINTAC), an advisory board to the U.S. Secretary of Commerce and having a mission to advise the Secretary on the promotion of U.S. nuclear power exports, strongly supports passage of the bill to reauthorize the U.S. Export Import Bank. HR 2072 is a bipartisan effort to expand U.S. exports and increase U.S. jobs. Now more than ever, Ex-Im Bank is key source for financing exports in these tight and uncertain economic times, and for nuclear power plant development, it has become clear that financing from export credit agencies is a necessary and core element for viable financing structures.

Few realize that the Ex-Im Bank charges fees for its financing and operates on a self-sustaining basis at no cost to the taxpayer. Additionally, its loan loss ratio is only slightly over 1%, significantly less than the experience of commercial banks, so it is considered conservative.

When American industry can compete on equal terms, we can win overseas projects, because of our innovation and experience. But we face intense competition.

Ex-Im Bank is vital to U.S. industry, so we may more fairly compete with other export credit agencies, both within the OECD as well as those outside of the OECD Arrangement, as all are very aggressively supporting their exporters. For nuclear power projects outside the United States, Ex-Im Bank is the only meaningful source of debt financing in the marketplace right now, excepting China. As a result, the role and importance of Ex-Im Bank is magnified, as a deal facilitator. Moreover, current competitive nuclear power procurements have been requiring bidders to provide a financing package to support their products. Without support from Ex-Im Bank, U.S. nuclear power suppliers will be at a significant competitive disadvantage.

In fact, Ex-Im will have to play an even more prominent role in the nuclear energy sector in order for U.S. companies to compete internationally. In particular, the ability of Ex-Im to serve as either guarantor or direct lender is a distinguishing feature that can give prospective American bidders the necessary flexibility and access to financing that they need.

When we do win the work and export the project components, manufacturing jobs here grow, and the U.S. industrial base becomes stronger. Export-related jobs are shown to be higher paying than domestic-only jobs; companies that export stay in business longer; and exports can help America retain its leading edge in innovation.

Ex-Im Bank works equally for U.S. exporters and U.S. taxpayers because it is financially self-sustaining and generates revenue for the U.S. Treasury. We urge you to support reauthorization (HR2072), so we can access financing for exports, and create the economic activity needed to help grow more American jobs.

Sincerely, and on behalf of the members of CINTAC,



Edward J. Wolbert

Chairman

Civil Nuclear Trade Advisory Committee

President & CEO - Transco Products Inc.

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