# **Civil Nuclear Trade Advisory Committee**

June 2, 2014

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

Dear Secretary Pritzker,

The Civil Nuclear Trade Advisory Committee (CINTAC) is an advisory board to the U.S. Secretary of Commerce. Its mission is to advise the Secretary on the promotion of U.S. civil nuclear power exports. The CINTAC strongly supports the Agreement for Cooperation between the Government of the United States of America and the Government of the Socialist Republic of Vietnam concerning the Peaceful Uses of Nuclear Energy (the "123 Agreement") that is currently under review by Congress.

Vietnam is implementing an ambitious plan to develop up to 10,000 megawatts of nuclear generating capacity by 2030, and has already secured agreements with Russia and Japan to develop nuclear energy facilities. U.S. companies are eager to supply the technology and components for nuclear power plants, engineering consulting and construction management services, operations and maintenance services, training, and nuclear safety, security, and safeguards services. Industry experts estimate that the Agreement could create more than 10,000 U.S. jobs and generate \$10 billion to \$20 billion in U.S. exports. Absent this 123 agreement, U.S. industry has been sidelined in this rapidly expanding market.

This agreement would not only bring a significant number of jobs to the U.S., but would also enhance the safety and security of Vietnam's nuclear power plants and strengthen international nonproliferation through our ability to work closely within their program. Cooperation through this agreement would also advance the U.S. Government's aims of supporting carbon-free energy and nonproliferation.

We believe Vietnam will be a valued member of the international civil nuclear industry. Vietnam has worked closely with the United States and the international community to develop a responsible and transparent nuclear energy program. This includes cooperation with the U.S. Nuclear Regulatory Commission to lay the foundation for a regulatory infrastructure. Vietnam has also acceded to important nuclear security and nonproliferation treaties. These include: the Nuclear Non-Proliferation Treaty in 1982, the Comprehensive Nuclear Test Ban Treaty in 2006,

and completion of a comprehensive safeguards agreement with the International Atomic Energy Agency in 1990. In addition, Vietnam signed an Additional Protocol in 2007 and it entered into force in 2012. In 2008, Vietnam passed its domestic Law on Atomic Energy, which forbids the development of nuclear weapons and all forms of nuclear proliferation. In 2010, Vietnam signed a memorandum of understanding with the United States that expressed its intent to rely on international markets for nuclear fuel supplies and not to pursue domestic enrichment capability.

If the U.S. fails to bring into force a Section 123 Agreement with Vietnam, other supplier nations will continue to fill this void. Russia and Japan already secured agreements to develop nuclear energy projects in Vietnam, but U.S. firms have been sidelined pending the conclusion of a Section 123 Agreement between the U.S. and Vietnam. Vietnam will deploy commercial nuclear power plants. The only question is whether U.S. companies will be involved. We strongly urge you to support Congressional approval of the U.S.-Vietnam 123 Agreement.

Sincerely, and on behalf of all members of CINTAC,

Jack Edlow

Chair

Civil Nuclear Trade Advisory Committee President – Edlow International Company Sydney McNiff Johnson

Vice Chair

Civil Nuclear Trade Advisory Committee

Principal, Dentons US LLP

Mr. Jack Edlow, CINTAC Chair, President, Edlow International Company

Ms. Sydney McNiff Johnson, CINTAC Vice Chair, Principal, Dentons US LLP

Mr. Paul J. Amico, Senior Technical Consultant, Hughes Associates, Inc.

Mr. John Bendo, Nuclear Energy Business Manager, ASME

Mr. David Blee, Executive Director, U.S. Nuclear Infrastructure Council

Mr. Kevin J. Carrabine, P.E., P.M.P, Executive Director of Business Development, Exelon Nuclear Partners, LLC

Mr. Stephen Casadevall, Engineering Manager, Nuclear and Navy Products, ASCO Valve, Inc.

Mr. David Durham, Senior Vice President, GE Hitachi Nuclear Energy

Mr. Elmer W. Dyke, Senior Vice President, Consulting, NAC International

Mr. James Gale, Vice President, Babcock & Wilcox mPower, Inc., Babcock & Wilcox mPower, Inc.

Mr. Theodore J. Garrish, Vice President for Federal Operations and Strategic Planning, CH2MHill

Mr. James (Jim) A. Glasgow, Partner, Pillsbury Winthrop Shaw Pittman, LLP

Mr. Seth Grae, President & CEO, Lightbridge Corporation

Mr. Gerard Hanson, Value Chain Director, Rosemount Nuclear Instruments, Inc.

Mr. Philip C. Hildebrandt, P.E., Special Assistant to the Laboratory Director, Idaho National Laboratory for Major Projects, Industry and Regulatory Strategy, Idaho National Laboratory

Mr. Myron Kaczmarsky, Senior Director, CB&I Power

Mr. Kirk Kelhofer, President, Crane Nuclear, Inc.

Mr. James Komosinski, Managing Director, Swiss Mountain Energy Consulting

Mr. Bruce Landrey, President, Landrey & Company

Mr. Chris Maslak, Vice President, Nuclear Business Development, Bechtel International, Inc.

Mr. Wallace M. Mays, President, WM Mining

Dr. Corey McDaniel, Director, Energy Market Development, RSCC Wire & Cable, Inc.

Mr. Curtis H. Moore, Director, Communications & Legal Affairs, Energy Fuels, Inc.

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

Mr. Richard J. Myers, Vice President, Policy Development, Planning and Supplier Programs, Nuclear Energy Institute

Dr. Roger S. Reynolds, Senior Technology Advisor, TerraPower, LLC

Dr. Paul C. Rizzo, P.E., President & CEO, Paul C Rizzo Associates, Inc.

Mr. Sadler D. Rupprecht, Senior Vice President, Nuclear Power Plant Business Development, Westinghouse Electric Company

Dr. Thomas L. Sanders, Past President of the American Nuclear Society, American Nuclear Society (ANS)

Dr. Vijay K. Sazawal, Ph.D., Director of Government Programs, USEC

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

Mr. Mark Webber, Director, International Trade Policy, Lockheed Martin

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

Mr. Gary Wolski, Vice President, Nuclear Group, Curtiss-Wright Flow Control

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

### **Civil Nuclear Trade Advisory Committee**

April 26, 2015

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

Dear Secretary Pritzker,

The Civil Nuclear Trade Advisory Committee (CINTAC), as an advisor to you on issues important to the promotion of nuclear energy exports, writes to express its strong support for renewal of the U.S.-China Agreement for Peaceful Nuclear Energy Cooperation and to recommend your and your Department's active support for the renewal agreement before Congress. The agreement was transmitted to the Hill on April 21, 2015 and strong Congressional attention is expected. Any lapse in this agreement would be extremely damaging to existing U.S. civil nuclear trade with China, harmful to U.S. industry's global reputation, and would call into question the reliability of the United States as a supplier of civil nuclear technology to other countries.

In order for U.S. companies to participate in civil nuclear trade with a country, an Agreement for Peaceful Nuclear Energy Cooperation ("Section 123 Agreement") must be in place. Unless the Section 123 Agreement between the United States and the People's Republic of China ("China") is renewed before its expiration in December 2015, U.S. civil nuclear companies will lose access to the world's largest market for nuclear technology, equipment and services. Billions of dollars in U.S. exports and thousands of American jobs are at risk.

The U.S. civil nuclear industry needs your active support for the U.S.-China 123 Agreement. Although a Section 123 Agreement comes into force automatically unless it is disapproved or modified by Congress, a successful outcome for this Agreement cannot be assumed. After the current agreement was negotiated in 1985, Congress imposed special conditions that prevented its enactment until 1998.

U.S. industry has enjoyed healthy and robust civil nuclear trade with China under the current agreement. China is building four U.S.-designed nuclear power plants with the help of multiple U.S. suppliers. In addition to reactor technology, U.S. civil nuclear companies supply China with equipment and components as well as a broad range of services, including engineering and construction, fuel supply, and training. This trade maintains thousands of American jobs and creates tens of billions of dollars' worth of export revenue.

With timely renewal of the 123 Agreement, U.S. civil nuclear exports to China have a bright future. China currently has 24 nuclear reactors in operation with 26 under construction, and expects their nuclear generating capacity to rise from 20 gigawatts today to 58 gigawatts by 2020

and 150 gigawatts by 2030. China utilizes Russian, French, Canadian, and American civil nuclear technology and has used this base technology to create a robust indigenous program. China intends to select two technologies for its future plants, one of which is American. There are expectations that China will order twenty American reactors within the next five years

In addition to the economic benefits, there are other reasons for the United States to renew the U.S.-China 123 Agreement. It will provide China with safer and more advanced reactors, and reduce China's carbon emissions. By enabling a strong U.S. presence in China's nuclear energy market, the agreement will enhance U.S. influence in China and promote China's adherence to international norms for nuclear safety, security and nonproliferation.

China is a recognized nuclear weapons state, in good standing, under the Treaty on Non-Proliferation of Nuclear Weapons (NPT), has possessed enrichment and reprocessing capabilities for decades, and is currently working with France and Russia to further develop these capabilities. Any restrictions that Congress may impose regarding this technology will have little impact on Chinese access to and utilization of this technology, but will have a major impact on U.S. involvement in China's civil nuclear program.

The CINTAC looks forward to your active support of the reauthorization of the U.S.-China 123 Agreement and believes that Commerce Department is uniquely situated to note the commercial benefits of the agreement and its impact on the long-term competitiveness of the U.S civil nuclear industry. We are happy to provide additional information to support your Congressional outreach efforts.

Sincerely, and on behalf of the members of the CINTAC,

Chris Tye

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Chair

Civil Nuclear Trade Advisory Committee

Senior Vice President, Nuclear Power, Fluor Enterprises, Inc.

Gary Wolski Vice Chair

Civil Nuclear Trade Advisory Committee

Vice President, Curtiss-Wright

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Chris Tye, CINTAC Chair & Senior Vice President, Nuclear Power, Fluor Enterprises, Inc.

Gary Wolski, CINTAC Vice-Chair & Vice President, Curtiss-Wright

John Bendo, Nuclear Energy Business Manager, ASME

David Blee, Executive Director, U.S. Nuclear Infrastructure Council

George Borovas, Partner, Shearman & Sterling

Omer F. Brown, II, Attorney-at-Law and Legal Counsel to Contractors International Group on Nuclear Liability Contractors International Group on Nuclear Liability

Stephen J. Burdick, Partner, Morgan, Lewis & Bockius LLP

T. Graham Cable, Vice President, New Plant Offer Development, Nuclear Power Plants, Westinghouse Electric Company

Lou Centofanti, Chairman, President and Chief Executive Officer, Perma-Fix Environmental Services, Inc.

Christopher Colbert, Chief Strategy Officer, NuScale Power LLC

Colleen Deegan, Vice President, Bechtel Corporation

Thomas J. Dolan, Adjunct Professor, Department of Nuclear, Plasma and Radiological Engineering, University of Illinois at Urbana-Champaign

Melissa L. Dubinsky, Vice President, Power Generation, Project Development, RIZZO Associates

David Durham, Senior Vice President & Chief Commercial Officer, GE Hitachi Nuclear Energy

Elmer W. Dyke, Vice President, Sales, NAC International

Jack Edlow, President, Edlow International Company

Theodore J. Garrish, International Nuclear Trade Consultant, Annapolis Energy Consulting

Seth Grae, President & CEO, Lightbridge Corporation

Ralph L. Hunter, Jr., Chief Operating Officer, Exelon Nuclear Partners, LLC

Myron Kaczmarsky, Senior Director, Business Development, CB&I

Robert Kalantari, President and Chief Executive Officer, Engineering Planning and Management, Inc.

Mary Holland Limbach, Managing Partner and President, Potomac Communications Group, Inc.

Daniel S. Lipman, Executive Director, Policy Development and Supplier Programs, Nuclear Energy Institute

Mark D. Morgan, Director of Business Development, Environmental & Nuclear, PaR Systems

Paul M. Murphy, Special Counsel, Milbank, Tweed, Hadley & McCloy LLP

Neil J. Numark, President, NUMARK Associates, Inc.

Kenneth L. Peddicord, Director, Nuclear Power Institute, Texas A&M University

Craig H. Piercy, Washington Representative, American Nuclear Society

Kevan Weaver, Director, Technology Integration, TerraPower, LLC

Mark Webber, Director, International Trade Policy for Government and Regulatory Affairs, Lockheed Martin Corporation

Edward J. Wolbert, President and Chief Executive Officer, Transco Products, Inc.

William S. Woodward, Senior Vice President, International Projects, Holtec International

### **Civil Nuclear Trade Advisory Committee**

June 5, 2015

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

Dear Secretary Pritzker,

The Civil Nuclear Trade Advisory Committee (CINTAC), as an advisor to you on issues important to the U.S. civil nuclear industry and the promotion of U.S. nuclear energy exports, requests your assistance on a matter pending in Congress that could seriously damage the ability of U.S. civil nuclear companies to export nuclear technology and expertise to China and other significant markets, and to share important lessons learned to support new nuclear energy facilities in the United States. The CINTAC requests that you promptly notify Congressional members and committees of jurisdiction regarding this issue and reiterate Administration objections raised in the May 12, 2015 Statement of Administration Policy.

The House of Representatives recently proposed a cumbersome modification to the already stringent Part 810 export control process that would add redundant and time-consuming reviews to what is currently a thorough and lengthy review process, and require additional and duplicative Presidential certifications to allow U.S. nuclear energy exports to a number of countries including China, the largest nuclear energy market in the world. China is constructing over one-third of the nuclear power plants currently under construction in the world, and the proposed legislation could lead to the loss of tens of thousands of U.S. jobs and billions in U.S. civil nuclear exports.

As you know, the U.S. Department of Energy (DOE) regulates exports of commercial nuclear technology and assistance under Section 57(b)2 of the Atomic Energy Act. DOE implements section 57(b)2 through the recently revised regulations at 10 CFR Part 810. The Department of Commerce plays a significant role in administering export controls for nuclear-related exports through its regulation of dual-use items and also participates in the Part 810 interagency review process. Adding additional review requirements would lengthen an already long and comprehensive process and negatively impact American companies.

During House consideration of the Fiscal Year 2016 National Defense Authorization Act, Section 3119 was included to amend Section 57(b)2 of the AEA. Section 3119 would add new burdensome and duplicative provisions to 10 CFR 810 and cause serious harm to U.S. nuclear

exports, U.S. industry, and U.S. influence on the development of nuclear energy in a number of significant U.S. nuclear export markets, including China, without enhancing U.S. security interests.

A general or specific authorization under Part 810 already requires an inimicality finding subsequent to an interagency review. To make this determination, DOE considers a broad set of factors, including implications of technology diversion. An interagency review is conducted which includes the Department of Defense and DOE's National Nuclear Security Administration (responsible for Naval Reactor technology), as well as the Nuclear Regulatory Commission, Commerce and State Departments, and others. Nuclear exports are more than adequately scrutinized, and requiring additional layers of approval will hinder U.S. exports and open the door for foreign competitors to displace U.S. technology.

With respect to China, intelligence agencies have just produced a Nuclear Proliferation Assessment Statement (NPAS) to support the successor Section 123 Agreement. Conducting a fresh assessment with each Part 810 license for China is redundant to the NPAS. Section 3119 would also have immediate impacts here at home on companies involved in the construction of the four AP1000 reactors in Georgia and South Carolina. The reference plants for these important U.S. nuclear new build projects are in China and Section 3119 would hamper information exchange and lessons learned between U.S. and Chinese partners. This information exchange is an important input to start-up testing, plant commissioning and training of plant personnel for these new U.S. reactors.

CINTAC believes in robust protections for nuclear exports to any country. Exporting U.S. technology, safety and security practices, and non-proliferation norms around the world is crucial to maintaining safe and secure nuclear power generation globally. U.S. policy should prevent the diversion of peaceful nuclear technologies to non-peaceful applications while also avoiding unnecessary disruptions to civil nuclear trade. We believe that balance has not been achieved by the language in Section 3119.

We appreciate your attention to this matter of great importance to industry and hope you will prevent the proposed legislation from becoming law.

Sincerely, and on behalf of the members of the CINTAC,

Chris Tye

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Chair

Civil Nuclear Trade Advisory Committee

Gary Wolski

Vice Chair

Civil Nuclear Trade Advisory Committee

Chris Tye, CINTAC Chair, & Senior Vice President, Nuclear Power, Fluor Enterprises, Inc.

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Edward J. Wolbert, President and Chief Executive Officer, Transco Products, Inc.

William S. Woodward, Senior Vice President, International Projects, Holtec International

### Attachment:

STATEMENT OF ADMINISTRATION POLICY, H.R. 1735 – National Defense Authorization Act for FY 2016 (page one and page nine regarding Administration objections to Section 3119).



# OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

May 12, 2015 (House Rules)

### STATEMENT OF ADMINISTRATION POLICY

#### H.R. 1735 – National Defense Authorization Act for FY 2016

(Rep. Thornberry, R-TX, and 1 cosponsor)

The Administration appreciates the House Armed Services Committee's continued support of our national defense and supports a number of provisions in H.R. 1735, the National Defense Authorization Act for Fiscal Year (FY) 2016, such as authorities that support ongoing operations. The Administration also appreciates many of the acquisition reform measures included in the bill and looks forward to continued cooperation with the Committee on further progress in this area.

While there are areas of agreement with the Committee, the Administration strongly objects to a number of provisions in the bill. First, the President has been very clear about the core principle that he will not support a budget that locks in sequestration, and he will not fix defense without fixing non-defense spending. Sequestration levels will damage our ability to restore readiness, advance badly-needed technological modernization, and keep faith with our troops and their families. Unfortunately, the bill fails to authorize sufficient funding for our military's priorities, and instead uses Overseas Contingency Operations (OCO) funding in ways that leaders of both parties have made clear are inappropriate. Shifting base budget resources into OCO risks undermining a mechanism meant to fund incremental costs of overseas conflicts and fails to provide a stable, multi-year budget on which defense planning is based. The use of OCO funding to circumvent budget caps in defense spending also ignores the long-term connection between national security and economic security and fails to account for vital national security functions carried out at non-defense agencies.

Further, the bill fails to adopt many of the needed force structure and weapons system reforms included in the President's Budget, including failing to provide an authorization for a new Base Realignment and Closure (BRAC) round to allow the Department of Defense (DOD) to properly align the military's infrastructure with the needs of its evolving force. It also includes nongermane provisions, such as those undermining the Endangered Species Act, that have nothing to do with national defense. The President's defense strategy depends on investing every dollar where it will have the greatest effect, which the Administration's FY 2016 proposals will accomplish through critical reforms that divest unneeded force structure, slow growth in compensation, and reduce wasteful overhead. The Committee's changes would constrain the ability of DOD to align military capability and force structure with the President's defense strategy and to reduce unneeded costs. The bill also continues unwarranted restrictions, and imposes onerous additional ones, regarding detainees at Guantanamo Bay. If this bill were presented to the President, the President's senior advisors would recommend to the President that he veto it.

Authorization of Production of Special Nuclear Material Outside the United States by Foreign Country with Nuclear Naval Propulsion Program: The Administration strongly objects to section 3119, which would limit and condition authorizations under 10 CFR Part 810 of technology transfers and assistance to countries that have a naval nuclear propulsion program. Countries with such programs include generally authorized countries such as the United Kingdom, France, and Brazil, as well as countries like Russia, China, and India, for which specific authorization is required. The Secretary would be prohibited from issuing authorizations with respect to such countries until the Director of National Intelligence and the Chief of Naval Operations submit an assessment to the specified committees of the risks of diversion of such nuclear technology transfer to a country's naval nuclear propulsion program, even if the technology or assistance has no relationship to or utility in naval propulsion. Halting these authorizations would have a significant negative financial impact on the U.S. nuclear industry and on diplomatic relations between the United States and the impacted countries.

### **Civil Nuclear Trade Advisory Committee**

October 21, 2015

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

#### Dear Secretary Pritzker:

The Civil Nuclear Trade Advisory Committee (CINTAC), an advisor to you on issues important to the U.S. civil nuclear industry and the promotion of nuclear energy exports, requests your assistance. We believe that it is important to amplify the U.S. government's unified voice in support of nuclear energy and its export as a key vehicle to addressing climate change. We are well aware that the U.S. government will have a major role in the upcoming Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21). As part of that role, the CINTAC respectfully asks that you take the following actions:

- 1. Reach out to Secretaries Kerry and Moniz to coordinate the U.S. government's messages on nuclear energy and U.S. nuclear energy exports and to determine the roles that each of you will play in delivering these messages in advance of COP21 and in Paris.
- 2. Send a letter to all COP21 delegates that highlights the reality that nuclear energy is a carbon-free energy source and that it is impossible to successfully meet international climate change goals unless it plays an increasing role in the global energy portfolio. We request that this letter be signed by you and Secretaries Kerry and Moniz. Such a letter will clearly raise the profile of nuclear energy at the conference and bolster U.S. suppliers.
- 3. Consider leading or joining top-level government officials from other nations with nuclear energy programs both advanced and nascent to deliver the message outlined in item two above. This could be in the form of an event, a news conference, and/or a series of speeches. There are many possibilities. We believe that joining with other nations with which we share a common interest support for nuclear energy as a major vehicle to address climate change will be powerful.
- 4. Support technology-neutral solutions to climate change, ensuring that no discriminatory language emerges and any existing discriminatory language is eliminated, including that of the Bonn Agreement, which was adopted in 2001 at COP6. The demands of addressing climate change have rendered the Bonn Agreement, which penalizes nuclear energy, woefully out of date.

We ask you to take these actions because nations considering nuclear energy programs will be paying close attention to what U.S. government officials say and do at the conference. They are well aware that the financial and policy backing that Rosatom, the Russian supplier of nuclear energy plants and technology, receives from the Russian government has made Rosatom's offerings very difficult for developing nations to resist, since it requires little or no investment on the part of these nations. Some of these nations note that they would prefer U.S. technology, yet they doubt the commitment of the U.S. government to U.S. nuclear energy programs and exports. In addition, COP21 will receive significant coverage from the environmental and policy-oriented media. It is important that the U.S. government have a clear and unified position on behalf of carbon-free U.S. nuclear energy exports that sends a strong message to delegates, media, and officials from foreign governments.

U.S. civil nuclear companies have the most advanced technology, the best operational and safety practices, and can provide regulatory support for emerging economies that are developing nuclear energy programs. In addition, U.S. universities offer the most highly recognized academic programs in the nuclear field in the world. All these capabilities uniquely position the United States in a clear global leadership role. COP21 offers an enormous opportunity for senior U.S. officials attending the conference to demonstrate to the world that U.S. policymakers know that carbon-free nuclear energy is a critical tool to address climate change and to stress its support for U.S. nuclear energy exports.

Thank you for considering these actions. The CINTAC and the U.S. nuclear energy industry stand ready to support you in any way you need. We look forward to hearing from you regarding your response to these requests.

Sincerely, and on behalf of the members of the CINTAC,

Chris Tye

B. Chui Iye

1,7 Nolsh.

Chair

Civil Nuclear Trade Advisory Committee

Gary Wolski

Vice Chair

Civil Nuclear Trade Advisory Committee

Cc: The Honorable John Kerry, Secretary, U.S. Department of State, 2201 C Street, NW, 20520

Cc: The Honorable Ernest Moniz, Secretary, U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585

Chris Tye, CINTAC Chair, & Senior Vice President, Nuclear Power, Fluor Enterprises, Inc.

Gary Wolski, CINTAC Vice Chair, & Vice President, Curtiss-Wright

John Bendo, Nuclear Energy Business Manager, ASME

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George Borovas, Partner, Shearman & Sterling

Omer F. Brown, II, Attorney-at-Law and Legal Counsel to Contractors International Group on Nuclear Liability

Stephen J. Burdick, Partner, Morgan, Lewis & Bockius LLP

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Kenneth Camplin, Vice President & Chief Business Development Officer, BWX Technologies Lou Centofanti, Chairman, President and Chief Executive Officer, Perma-Fix Environmental Services, Inc.

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Edward J. Wolbert, President and Chief Executive Officer, Transco Products, Inc.

William S. Woodward, Senior Vice President, International Projects, Holtec International

# Civil Nuclear Trade Advisory Committee

May 4, 2016

The Honorable Penny Pritzker Secretary U.S. Department of Commerce 1401 Constitution Ave., NW Washington, DC 20230 2016 MAY 16 PH 1: U4

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#### Dear Madame Secretary:

As the advisory committee comprised of America's leading nuclear energy companies and charged with counsel to the U.S. Department of Commerce on civil nuclear trade issues, the Civil Nuclear Trade Advisory Committee (CINTAC) is writing to express our strongest possible opposition to any action to eliminate the position of the Director of Nuclear Energy Policy at the National Security Council. We urge you to pursue every available avenue to preserve this critical energy and national security post.

The CINTAC's strong support for maintaining this position arises out of our members' institutional knowledge and experience working within the myriad of statutes and agencies regulating civil nuclear trade. Civil nuclear policy has a unique and critical requirement for federal coordination. U.S. nuclear trade is subject to unusually complex statutory and regulatory requirements, including bilateral cooperation agreements and an export-control regime that is administered by three departments and agencies. This is well-documented in the 2011 CINTAC letter to then Secretary Gary Locke (attached) that recommended the creation of the position.

The benefits of this position are clear in the tangible accomplishments achieved since its creation, within the context of changes that have made the regulatory environment even more complex. We can say without equivocation that this position has been consequential to significant results in terms of U.S. exports and jobs, enhanced U.S. government effectiveness, and strengthened national security. It is abundantly clear that abandoning this position, will be deleterious to the competitive position of U.S. companies engaged in global civil nuclear markets, undercut the effectiveness of U.S. government trade-support programs and weaken U.S. nuclear safety, security and nonproliferation objectives.

The elimination of this position is particularly troubling given the unprecedented challenge faced by the U.S. industry from state-owned competitors in the trillion-dollar international civil nuclear market. In addition to direct financial assistance, these state-owned competitors benefit from well-staffed coordinating and advocacy functions within the highest levels of government. Elimination of the only White House position committed to nuclear energy advocacy exacerbates this competitive disadvantage. Doing so is especially perplexing given the President's support

for nuclear energy in an "all of the above" approach to energy policy. As oft-noted by U.S. Secretary of Energy Ernest Moniz, nuclear energy expansion is absolutely critical to addressing global carbon emission reductions. This imperative is supported with the export of America's world-class nuclear technology, and the U.S. nuclear nonproliferation, safety, and security culture.

We trust you will convey to the President and your colleagues our deep concern regarding the potential termination of the position of Director of Nuclear Energy Policy, your support for the position and the serious consequences for U.S. exports, jobs and security interests.

Sincerely, and on behalf of the members of the CINTAC,

Chris Tye

B. Chui Dys

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Chair

Civil Nuclear Trade Advisory Committee

Gary Wolski

Vice Chair

Civil Nuclear Trade Advisory Committee

Cc: The Honorable John Kerry, U.S. Secretary of State

The Honorable Ernest Moniz, U.S. Secretary of Energy

The Honorable Susan Rice, Director, National Security Council

Attachment: June 2011 CINTAC Letter to Secretary Gary Locke Recommending the Creation of the NSC Director Position

Chris Tye, CINTAC Chair, & Senior Vice President, Nuclear Power, Fluor Enterprises, Inc.

Gary Wolski, CINTAC Vice Chair, & Vice President, Curtiss-Wright

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Thomas J. Dolan, Adjunct Professor, Department of Nuclear, Plasma and Radiological Engineering, University of Illinois at Urbana-Champaign

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Craig H. Piercy, Washington Representative, American Nuclear Society

David Sledzik, Vice President, Product Management & International Nuclear Plant Projects, GE Hitachi Nuclear Energy

Kevan Weaver, Director, Technology Integration, TerraPower, LLC

Mark Webber, Director, International Trade Policy for Government and Regulatory Affairs, Lockheed Martin Corporation

Edward J. Wolbert, President and Chief Executive Officer, Transco Products, Inc.

William S. Woodward, Senior Vice President, International Projects, Holtec International

# 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,

Edward J. Wolbert

Chairman

Civil Nuclear Trade Advisory Committee

President & CEO - Transco Products Inc.

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

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

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

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

### **Civil Nuclear Trade Advisory Committee**

December 10, 2015

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

Dear Secretary Pritzker,

The Civil Nuclear Trade Advisory Committee (CINTAC), as an advisor to you on issues important to the U.S. civil nuclear industry and the promotion of U.S. nuclear energy exports, would like to thank you for meeting with our Committee. We were very appreciative of your knowledge and understanding of our industry and our issues, and truly feel we have a partner in growing U.S. civil nuclear energy exports.

We would also like to thank you for your consideration and responsiveness to our past recommendations which include Ex-Im Bank reauthorization, the China 123 Agreement reauthorization, preventing restrictive trade legislation, and supporting a nuclear friendly COP21.

The U.S. civil nuclear industry is unique in that our success internationally directly impacts the United States' ability to have access to foreign nuclear programs, and share the U.S. nonproliferation, safety and security culture globally. Nuclear is the only technology that can be deployed at the scale necessary to meet carbon reduction goals, and the magnitude of civil nuclear projects will "move the needle" toward meeting U.S. export goals and creating American jobs.

Our industry, however, faces many challenges, and struggles to compete on a level playing field. Most of our global competitors are state-owned enterprises that receive direct and overt assistance from the highest members of their governments in securing civil nuclear deals. The CINTAC has worked hard to develop the following six recommendations for your consideration that will help the U.S. civil nuclear industry combat the disparate playing field in which we now operate.

- 1. <u>Institutionalize the Civil Nuclear Energy 101 training program</u> that was piloted in abbreviated form in August 2015 in Denver for ITA staffers with civil nuclear energy within their portfolios.
- 2. **Rebrand and upgrade the Team USA effort** (currently "Atoms for Prosperity") along with a revamp of civil nuclear exports promotion collaterals and programs. This effort should encompass a focused public information program designed to advance and communicate the benefits of nuclear commerce.
- 3. <u>Convene Safety Standards Workshops</u> to support consistent global safety principles and advise countries on U.S. experience implementing robust nuclear safety standards. The United States has a well-respected and often benchmarked regulatory system and more operational experience than any other country.
- 4. <u>Undertake studies to develop a new tactical approach to pursue international civil nuclear transactions</u>: CINTAC recommends that, under the leadership of the Secretary of Commerce, the Department of Commerce undertake two studies (reactor tender successes/failures and government-industry cooperation), with the ultimate goal of having the results therefrom inform a new tactical approach by the U.S. Government in the pursuit of international civilian nuclear transactions.
- 5. Convene Nuclear Energy Financing Workshop: CINTAC recommends that, under the leadership of the Secretary of Commerce, the Department of Commerce convene a nuclear financing workshop, which is targeted at key stakeholders within the Executive and Legislative branches of the U.S. Government, to develop a set of actionable steps that would create new sources and techniques for financing of U.S. nuclear commerce abroad.

#### 6. <u>Increase U.S. Government Resources focused on promoting civil nuclear exports:</u>

- a. Add resources to ITA's Office of Energy and Environmental Industries (OEEI) assigned to nuclear energy promotion to better enable the implementation of CINTAC recommendations and meet the growing requirements of U.S. civil nuclear energy exporters.
- b. Ensure support for a continued White House Director of Nuclear Energy Policy, originally a CINTAC-I recommendation to create this position, and an appointment that is critical to interagency coordination for nuclear energy initiatives.
- c. Support the establishment of an office within the U.S. Department of Energy focused on international nuclear safety, education and training.

We believe these are relevant and actionable recommendations to help level the playing field in support of the United States' civil nuclear industry as it seeks commercial opportunities abroad. The CINTAC looks forward to partnering with you and your staff to implement these recommendations, increase exports and promote job creation in this important sector.

Thank you again for your time and thoughtful comments during our December 10<sup>th</sup> meeting. We wish you a safe and enjoyable holiday season.

Sincerely, and on behalf of the members of the CINTAC,

Chris Tye

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Chair

Civil Nuclear Trade Advisory Committee

Gary Wolski

Vice Chair

Civil Nuclear Trade Advisory Committee

Chris Tye, Senior Vice President, Nuclear Power, Fluor Enterprises, Inc. -- CINTAC Chair

Gary Wolski, Vice President, Curtiss-Wright -- CINTAC Vice Chair

John Bendo, Nuclear Energy Business Manager, ASME

David Blee, Executive Director, U.S. Nuclear Infrastructure Council

George Borovas, Partner, Shearman & Sterling, LLP

Omer F. Brown, II, Attorney-at-Law and Legal Counsel to Contractors International Group on Nuclear Liability

Stephen Burdick, Partner, Morgan, Lewis & Bockius, LLP

T. Graham Cable, Vice President, New Plant Offer Development, Nuclear Power Plants, Westinghouse Electric Company

Kenneth Camplin, Vice President & Chief Business Development Officer, BWX Technologies Lou Centofanti, Chairman, President and Chief Executive Officer, Perma-Fix Environmental Services, Inc.

Christopher Colbert, Chief Strategy Officer, NuScale Power LLC

Colleen Deegan, Vice President, Bechtel Corporation

Thomas Dolan, Adjunct Professor, Department of Nuclear, Plasma and Radiological

Engineering, University of Illinois at Urbana-Champaign

Melissa Dubinsky, Vice President, Power Generation Project Development, RIZZO Associates

Jack Edlow, President, Edlow International Company

Seth Grae, President & CEO, Lightbridge Corporation

Ralph Hunter, Jr., Chief Operating Officer, Exelon Nuclear Partners, LLC

Myron Kaczmarsky, Senior Director, Business Development, CB&I

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