

# CINTAC

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## Civil Nuclear Trade Advisory Committee

October 12, 2017

The Honorable Wilbur L. Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., NW  
Washington, DC 20230

Dear Mr. Secretary:

The Civil Nuclear Trade Advisory Committee (CINTAC), as an advisor to you on the promotion of nuclear energy exports, wants to make you aware of the importance and scope of nuclear trade between the United States, Canada, and Mexico as President Trump and members of his Cabinet embark on a process to renegotiate the North American Free Trade Agreement (NAFTA). We hope that the U.S. Government (USG) will work carefully to ensure that any changes to NAFTA do not have the unintended consequence of disturbing the current balance in a way that could increase risk to U.S. nuclear providers.

As you may know, Mexico operates two General Electric nuclear power reactors at the Laguna Verde Nuclear Station near Veracruz. These units were first put into production in 1990, and the construction at this site was overseen by two U.S. companies, Burns and Roe and Ebasco. These units supply 4.5 percent of Mexico's total power and are considered strategic energy assets. Due to Mexico's limited domestic nuclear capability, the Comision Federal de Electricidad (CFE), the national electric company owned by the Mexican government and the plant's owner, utilizes external sources – principally from the United States – for assistance in maintaining the safe operation of these units.

Additionally, CFE and the Government of Mexico have indicated that it is their desire and expectation to construct two additional units at the Laguna Verde site in the coming years, and we understand that they have looked closely at U.S.-based technologies to fulfill this need. Given that the cost of adding two additional nuclear reactors in Mexico could exceed \$10 billion, maintaining a productive relationship with Mexico in our trading efforts is of paramount importance. If the United States were successful in collaborating with Mexico to construct the potential units, it would significantly enhance the level of energy exports from the United States to Mexico.

In a similar vein, nuclear trade between the United States and Canada is meaningful, with both U.S. and Canadian companies having significant operations on each side of the border. While Canada's nuclear program was based on pressurized heavy-water nuclear reactors of an indigenous Canadian design (called "CANDU" reactors), the United States serves as a critical source of technology and resources to maintain these units.

Today, nuclear power provides over 60 percent of the total generation in the Province of Ontario, and within the last year, the province has announced that it will spend over \$20 billion during the next 10 years to extend the life of 10 nuclear units at the Darlington and Bruce Stations in the province. U.S. companies will be highly involved in these efforts supplying both personnel and equipment. A

program of this magnitude has the potential to provide billions of dollars in commerce for U.S.-based nuclear companies.

Finally, we want to make you aware that there are a variety of advanced, non-light water, nuclear reactors, as well as fusion-based reactors that are being developed in the United States and Canada with significant collaboration between the two countries, including between the two regulators – the U.S. Nuclear Regulatory Commission (NRC) and the Canadian Nuclear Safety Commission (CNSC). The development of these technologies has the potential to benefit both countries and provide a platform where a new generation of nuclear reactors could result in exports from both countries to Asia, Europe, South America, and Africa.

While we understand and appreciate the need for periodic reassessments of our trade commitments and partners, CINTAC wants you to be aware of the significant and beneficial nuclear commerce that takes place between the United States, Canada, and Mexico. While there are other sectors in which the trade may not have the balance expected or desired by President Trump, we believe the civilian nuclear sector has been thriving under the current arrangement, and urge that the current NAFTA negotiations avoid the unintended consequence of upsetting a very important level of bi-lateral nuclear trade between the United States and our counterparts in Mexico and Canada.

Thirty years ago, the United States was the unparalleled and dominant supplier of international nuclear trade. Unfortunately, this is no longer the case and our companies must work ever harder to maintain our competitive edge. As North America is one of the strongest and most favorable venues for the continuation of U.S. exports, CINTAC highly recommends a very careful consideration of changes to NAFTA.

CINTAC stands ready to assist you in the efforts of the USG toward understanding the impacts of NAFTA modifications on U.S. nuclear commerce as you and your peers are involved in the process of renegotiating the agreement.

We thank you for your support of CINTAC, and we look forward to working with you and your team on this subject and other issues of mutual concern.

Sincerely and on behalf of the members of CINTAC,



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Gary Wolski, Chairman



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Chris Colbert, Vice Chairman

Cc: U.S. Secretary of State  
U.S. Secretary of Energy  
National Security Advisor  
Chairman, U.S. Nuclear Regulatory Commission  
Director, National Economic Council  
Chairman, Export-Import Bank of the United States

## CINTAC Members

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