The Civil Nuclear Trade Advisory Committee (CINTAC), as an advisor to you on the promotion of nuclear energy exports, would like to bring to your attention a particular issue that significantly impacts the ability of U.S. nuclear energy companies to export equipment to companies within China. As we have previously discussed, the construction of commercial nuclear power plants in China represents a huge market for U.S. companies in the billions of dollars. The U.S. Government (USG), however, continues to delay decisions on export approvals pending the ongoing China nuclear policy assessment, even though many equipment exports represent little or no proliferation or other concerns.

During our meeting with you on March 15 and in our letter to you that same day, we requested assistance in expediting the conclusion of the ongoing China nuclear policy assessment and restarting the reviews of export approvals. Because the situation has not changed, we request your support and action for an interim policy solution to permit the export of certain nuclear equipment of lower potential concern, subject to U.S. Nuclear Regulatory Commission (NRC) export jurisdiction, while the overall policy review is completed. This would balance the economic interest of millions of dollars of exports of the equipment with the USG’s concerns about exports of more proliferation-sensitive equipment.

In particular, for equipment requiring an NRC Export License Application under 10 CFR Part 110, there are two distinct categories of equipment. One category, referred to as “Major” Reactor Equipment, includes nuclear reactors, and major reactor components. See 10 CFR Part 110, App. A, paragraphs (1) through (4). The second category, referred to as “Minor” Reactor Equipment, includes other reactor equipment such as heat exchangers. See 10 CFR Part 110, App. A, paragraphs (5) through (11). We request your support with resuming the issuance of Export Licenses for Minor Reactor Equipment, thus helping prevent the loss of those equipment sales to foreign competitors.

The export licensing criteria for Major Reactor Equipment are provided in 10 CFR 110.42(a) and are more stringent than those for Minor Reactor Equipment, which are provided in 10 CFR 110.42(b). For example, the export of Major Reactor Equipment requires a 123 agreement for cooperation and physical security verification. That difference reflects the higher potential concerns with exporting Major Reactor Equipment over exporting Minor Reactor Equipment.
Additionally, whether they are for Major or Minor equipment, all Export License Applications receive an Interagency Review, thus providing further assurance that no improper exports will occur.

As an example, one of the CINTAC member companies has commercial equipment already sold to a Chinese company for installation at four different nuclear plants. This company has submitted U.S. NRC Form 7 for a 10 CFR Part 110 Export License, has obtained written assurances from the Chinese government, and has previously exported similar equipment to the same Chinese company with an approved Export License Application. The current delays due to the China nuclear policy assessment are preventing this business deal, notwithstanding the lack of any proliferation or other concerns.

In summary, CINTAC is proposing that you undertake personal advocacy within the Administration and direct appropriate Commerce staff to undertake the necessary actions within the USG to effect policy change permitting the NRC to complete its reviews and issue Export Licenses for Minor Reactor Equipment, even though the China nuclear policy review is ongoing. This interim policy change would require coordination among the White House and the U.S. Departments of Commerce, Energy, State, and Defense.

CINTAC would be pleased to support these efforts, including sharing our experiences. The review process for 10 CFR Part 110 Export License Applications has typically taken from one to four months once the foreign government assurances have been received by the State Department. The current Interagency Review with Executive Branch approval of Export License Applications for equipment being exported to China for installation in commercial nuclear power plants appears to be at a standstill and Applications have been pending more than six months. 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. U.S. companies stand to lose millions of dollars of business to foreign companies in this growing market if delays continue.

Sincerely, on behalf of the members of CINTAC,

Gary Wolski, Chairman                        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
Christopher Colbert, CINTAC Vice Chair, & Chief Strategy Officer, NuScale Power
Larry Sanders, President, Accelerant Technologies
H.M Hashemian, President and CEO, Analysis and Measurement Services Corporation
Craig Piercy, ANS Washington Representative, American Nuclear Society
John Bendo, Nuclear Energy Business Manager, American Society of Mechanical Engineers
Colleen Deegan, Vice President, Bechtel Corporation
Ken Camplin, Vice President and Chief Business Development Officer, BWX Technologies
Michael Whitehurst, Director, Business Development, Centrus Energy
Omer Brown, II, Attorney-at-Law and Legal Counsel to Contractors International Group on Nuclear Liability
Russell Neely, Chief Operating Officer, Edlow International Company
Colin Austin, Vice President of International Business, EnergySolutions
Robert Kalantari, President and CEO, Engineering, Planning and Management
Donald Hoffman, President & CEO, Excel Services Corporation
Ralph Hunter, Vice President, Exelon Generation Company, LLC and Chief Operating Officer, Exelon Nuclear Partners, LLC, Exelon Corporation
Woody Lawman, Director of Sales, Navy and Nuclear Products, Flowserv Limitorque
David Jonas, Partner, Fluet, Huber + Hoang
Brad Porlier, Vice President, Sales and Nuclear Power, Fluor Enterprises
Jarret Adams, CEO, Full On Communications
David Sledzik, Senior Vice President, Sales & Commercial Operations, Nuclear Plant Projects, GE Hitachi Nuclear Energy
Myron Kaczmarsky, Senior Director of Sales, Holtec International
Vijay Sazawal, Global Civil Nuclear Trade Consultant, International Atomic Energy Consulting
Seth Grae, President & CEO, Lightbridge Corporation
Stephen Burdick, Partner, Morgan, Lewis & Bockius
Dan Lipman, Vice President, Suppliers and International Programs, Nuclear Energy Institute
Lee Peddicord, Director, Nuclear Power Institute, Texas A&M University
Neil Numark, President, NUMARK Associates
Scott Singer, Vice President, Chief Security and Information Officer, PAR Systems
Mimi Limbach, Managing Partner and President, Potomac Communications Group
Eddie Guerra, Director of Structural Engineering, Rizzo Associates
Eric Rasmussen, Director of Engineering and Asia Sales, RSCC Wire and Cable
David Blee, Executive Director, U.S. Nuclear Industry Council
Thomas Dolan, Adjunct Professor, University of Illinois at Urbana-Champaign
Graham Cable, Vice President, Global Growth and Strategy, Westinghouse Electric Company
Tyson Smith, Partner, Winston & Strawn LLP
Jeffrey Harper, Vice President, Strategy and Business Development, X Energy