

U.S. Department of Commerce
Civil Nuclear Trade Advisory Committee (CINTAC) Meeting
Sixth Charter, 2018-2020
Friday, October 4, 1:00 - 3:00pm EDT

MINUTES

1:00 – 1:05 Welcome, Introductions, and Roll Call

- *Jonathan Chesebro & Devin Horne, Designated Federal Officers of the CINTAC, U.S. Department of Commerce*

1:05 – 1:10 Welcome & Agenda Overview

1:10 – 2:35 CINTAC Subcommittee Discussion and Overview

- *Subcommittee chairs provided an update on their subcommittee charters and deliverables.*

Communications Matrix: Mimi Limbach, Czar

- Drafted elevator speech on benefits of nuclear energy (no comments received from Committee members). Requested that subcommittees adapt elevator speech into talking points that are appropriate for each subcommittee.
- Op-Ed will come later.

Regulation & Policy: Russell Neely, Vice Chair

- Reviewed draft NCMOU Letter for approval to send to Secretary. Subcommittee will revise letter and put to full Committee review at November 12 meeting.
- Members suggested potential activities to complement NCMOU signings such as organizing trade missions or to countries where NCMOUs signed (or having United States host reverse trade missions). It was noted that this could be cost prohibitive and that a number of missions are already occurring.

International Engagements: Ralph Hunter, Chair

- Work is ongoing - will provide update at November 12 meeting.

Market & Finance: David Blee, Chair

- EXIM Bank Issue Brief and Cover Letter reviewed and approved by Committee.
- Members suggested inviting USDFC, Treasury, or a staff member from Senator Murkowski's Office to a future CINTAC meeting.
- Member noted that the EU has decided not to exclude nuclear projects from its sustainable finance scheme.

Infrastructure: Larry Sanders, Chair

- Reviewed updated Infrastructure Matrix
- Suggested that CINTAC encourage U.S. companies to sign up for ITA's Civil Nuclear Toolkit.
- Request to learn where U.S. NRC has MOUs (approximately 46 total).

2:25 – 2:50 Summary & Next Steps

- *Chris Colbert, Chair, & Jeff Harper, Vice Chair*

- ITA provided brief reading of IAEA U.S. Industry Program and industry participants provided feedback on the program.
- Members agreed to review revised NCMOU letter at November 12 meeting.
- November 12 CINTAC meeting to be partially closed.

2:50 – 3:00 Public Comment & Adjourn

- *Jay Kraemer, Of Counsel, Fried, Frank, Harris, Shriver & Jacobson*

- NCMOU letter: commended Committee for acknowledging validity of nonproliferation regime and noted that early engagement is a practicable way to reduce the timeline needed for Part 810 approvals.
 - Important to distinguish between countries with 123 agreements and those without. Suggested that NCMOUs for countries without 123 agreements note that certain U.S. exports require a 123 agreement and that both parties note a timeline for negotiating a future 123 agreement.
- Commended Infrastructure Subcommittee for its desire to work with U.S. NRC.
- Suggested CINTAC provide recommendations to DOC regarding essential elements of developing a 5-year business plan to support U.S. industry.

Meeting Attendees

CINTAC Members

- Art Wharton – Vice President, Market Development, Studsvik Scandpower Inc.
- Christopher Colbert – Chief Strategy Officer, NuScale Power
- Colin Austin – Senior Vice President of International Business, EnergySolutions
- Colleen Deegan – Vice President, Bechtel Corporation
- David Blee – President & CEO, United States Nuclear Industry Council
- Donald Hoffman – President & CEO, EXCEL Services Corporation
- Edward Kee – CEO, Nuclear Economics Consulting Group
- Gary Wolski – Vice President, Nuclear Division, Curtiss-Wright
- Glenn Neises – Nuclear Director, Burns & McDonnell
- Graham Cable – Vice President, Global Growth & Strategy, Westinghouse Electric Company
- Jarret Adams – CEO, Full On Communications
- Jay Brister – Vice President, Business Development, AECOM
- Jeffrey Harper – Vice President, Strategy and Business Development, X Energy, LLC
- Joseph Miller – Director, Advanced Technology Programs, BWX Technologies, Inc.
- Juan Subiry – Vice President, Market and Product Strategy, NAC International
- Kenneth L. Peddicord – Director, Nuclear Power Institute, Texas A&M University
- Larry Sanders – Chief Executive Officer, Accelerant Technologies
- Michael Whitehurst – Director, Business Development, Centrus Energy Corp.
- Mimi Limbach – Managing Partner and President, Potomac Communications Group
- Myron Kaczmarzky – Senior Director, Holtec International
- Neil Numark – President, NUMARK Associates
- Ralph Hunter - Vice President, Exelon Corporation
- Robert Coward, Immediate Past President, American Nuclear Society
- Robert Kalantari – President and CEO, Engineering, Planning and Management
- Russell Neely – Chief Operating Officer, Edlow International Company
- Seth Grae – President & CEO, Lightbridge Corporation
- Woody Lawman – Director of Sales, Navy and Nuclear Products, Flowserve Limatorque

Members of Public

- Jay R. Kraemer, of Counsel, Fried, Frank, Harris, Shriver & Jacobson LLP

U.S. Government

- Department of Commerce
 - Devin Horne, Civil Nuclear Trade Specialist & CINTAC Co-Designated Federal Officer, International Trade Administration (ITA)
 - Jonathan Chesebro, Senior Nuclear Trade Specialist & CINTAC Co-Designated Federal Officer, ITA

Handouts

- 1) Draft Letter on NCMOUs from Regulation & Policy Subcommittee.
- 2) Draft Issue Brief on EXIM reauthorization from the Market & Finance Subcommittee.
- 3) Infrastructure Subcommittee's revised matrix.

Handout 1: Draft Letter on NCMOUs from Regulation & Policy Subcommittee

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

RE: Assurances References in International Nuclear Cooperation MOUs and Publicizing Signed NCMOUs

Dear Mr. Secretary:

As your advisory committee on civil nuclear trade issues, the Civil Nuclear Trade Advisory Committee (CINTAC) is bringing to your attention and requesting your advocacy of a key addition necessary in the negotiation and drafting of Nuclear Cooperation Memoranda of Understanding (NCMOUs). NCMOUs are new diplomatic initiatives spearheaded by the U.S. State Department to help the United States develop strategic civil nuclear cooperation relationships, support the U.S. civil nuclear industry, and advance our national security and nuclear nonproliferation goals.

NCMOUs aim to establish and expand strategic ties between the United States and countries that may not yet have peaceful nuclear energy programs but are actively interested in considering the option. In these cases, NCMOUs will facilitate early steps at high official levels in civil nuclear cooperation that lay the groundwork for required 123 Agreements, Part 810 authorizations, and other legal and regulatory requirements governing the peaceful use of nuclear power.

The first NCMOU, signed between the United States and Poland on June 12, 2019, is an excellent example. With Poland's decision to add civil nuclear power to its energy portfolio, we in the U.S. civil nuclear industry can provide Poland the technology and expertise required for it to develop this new industry and merit serious consideration. The NCMOU puts us in a favorable early position and we are very supportive of this initiative by the Departments of Energy and State.

The purposes of this letter are to 1) request that language be added to future NCMOUs aiming to accelerate host country written assurance of nonproliferation use and no re-export, for each proposed export of U.S. civil nuclear technology; and 2) recommend that the U.S. government issue a press release upon signature of each NCMOU. The motivations behind these are outlined below.

Assurances: Once a U.S. company is selected for its nuclear technology by a host country, there is a three-stage process for reviewing a commercial nuclear technology export application under 10 C.F.R. Part 810: Initial Review, Interagency Review, and Final Review. Our focus here is on the interagency review involving the Department of State, and the delay often caused by the lengthy time it takes for State to obtain written assurances from the host country. The U.S. Government Accountability Office, which studied this situation in 2014, reported that State's

median review time was 86 days, far exceeding DOE's 30-day target for interagency review. This situation unfortunately continues.

As part of its review, State requests (using its local embassy) from a host country written assurance of nonproliferation use and no re-export of the subject technology without U.S. Government consent. It is important to note that such assurances are not required by U.S. law or regulation, but State will not provide its concurrence (which is legally required) to an export without such written assurances from the host country. Furthermore, Energy officials have stated that any Secretary of Energy would be unwilling to sign an export authorization for which State could not provide a foreign government's assurances of nonproliferation use and no retransfer.

We certainly agree such assurances are essential to obtain. It is our recommendation that State introduce language into its NCMOUs that 1) specifically calls the host country's attention to the need for such written assurances for technology transfers from the United States, and 2) secures the commitment of the host government to establish a procedure and expeditiously consider and issue such written assurances so as not to unnecessarily delay the export of U.S. civil nuclear technology to the host country. Below, based on input from all CINTAC members, is draft language for State to consider in its future NCMOUs. Using the NCMOU with Poland as a template, such language could be inserted after Paragraph 10 regarding collaborative arrangements:

“recognition that the U.S. has strict legal and regulatory processes for each export of civil nuclear technology and that the host country (insert name) will be required to issue a written letter of assurances confirming that it will use the subject nuclear technology for peaceful purposes and it will not re-transfer such technology without U.S. Government approval; accordingly the host country agrees to establish a process to issue such written assurances as expeditiously as possible, but not later than 30 days after receiving an official request from the U.S. State Department through its embassy.”

Publicizing: It would be most beneficial to the U.S. civil nuclear industry for the U.S. Government to issue a press release upon signature of an NCMOU to give vital media exposure and show U.S. Government support for the establishment of civil nuclear trade with the host country.

We respectfully request that you formally convey to the Secretaries of State and Energy these requests.

Sincerely and on behalf of the members of the CINTAC,

Chris Colbert, Chairman

Jeffrey Harper, Vice Chairman

Handout 2: Draft Issue Brief on EXIM reauthorization from the Market & Finance Subcommittee

DISCUSSION DRAFT OCTOBER 3, 2019

Approved by the CINTAC Subcommittee on Finance and Markets
CIVIL NUCLEAR TRADE ADVISORY COMMITTEE (CINTAC)

ISSUE BRIEF

Issue

Reauthorization of the Export-Import (EXIM) Bank of the United States.

Background

The EXIM Bank, which was established in 1934 by an Executive Order, will expire unless pending reauthorization legislation is approved by the U.S. Congress and signed into law by the President. EXIM's charter is currently authorized until September 2019 – and is presently operating under a Continuing Resolution recently passed by the Congress to keep the U.S. government operating through November 21, 2019.

Consistent with its mission statement, EXIM is the official export credit agency of the United States. It is an independent agency with a goal of supporting American jobs by facilitating the export of U.S. goods and services. Per its charter, EXIM “fills in the gap for American businesses” by equipping them with the financing tools necessary to compete for global sales “when private sector lenders are unable or unwilling to provide financing.” EXIM's stated objective is to level “the playing field for U.S. goods and services going up against foreign competition in overseas markets” to spur American exports and jobs. Backed by the full faith and credit of the United States, EXIM assumes credit and country risks that the private sector is unable or unwilling to accept. The agency's charter requires that all authorized transactions demonstrate a reasonable assurance of repayment. EXIM closely monitors credit and other risks in its portfolio and has demonstrated a low default rate.

A bipartisan reauthorization bill sponsored by U.S. Senators Kevin Cramer (R-ND) and Kyrsten Sinema (D-AZ) will reauthorize the Bank for 10 years and implement a “quorum fix” to ensure continuity in operations along with an increase in the “exposure cap” over seven years to \$175 billion to compete with countries like China.

A Strategic Energy for America Act of 2019 discussion draft authored by U.S. Senate Energy and Natural Resources Chairman Lisa Murkowski proposes lifting of the EXIM cap to \$200 billion and addresses outdated restrictions and modernization of the Bank as well as “any energy-specific restrictions imposed by multilateral development banks.”

EXIM and Civil Nuclear Energy Exports

The CINTAC has been a consistent proponent and strong advocate over several charters for EXIM given its critical importance to any significant international market opportunities for U.S. civil nuclear energy exports, which are estimated at more than \$2 trillion. CINTAC's support for

EXIM includes two letters (April 26, 2015 and July 13, 2017) urging the support of the Secretary of Commerce and a March 11, 2016 Global Civil Nuclear Energy Financing Workshop organized by the U.S. Department of Commerce and U.S. industry with the support of the CINTAC that highlighted the importance of EXIM.

In the CINTAC's view, Congress's failure to reauthorize the EXIM Bank will cost U.S. nuclear energy jobs and exports. It will further challenge U.S. leadership and limit the important contributions of American companies to nuclear safety and nonproliferation expertise in worldwide nuclear programs at a time when the U.S. government is renewing its commitment to the importance of the U.S. nuclear industry in its global policy, energy security and national security objectives.

EXIM provided initial and critical funding that launched the U.S. nuclear industry's first exports, providing funding support for numerous projects across the globe – including Brazil, Bulgaria, Czech Republic, Mexico, Romania, South Korea, Spain, Taiwan, United Arab Emirates and Ukraine among others. EXIM funding support not only allowed America to become a world-wide leader in nuclear energy exports, it also helped develop and maintain the U.S. supply chain (large and small) that are vital to the domestic industry.

Civil nuclear energy is a capital-intensive industry and those countries and companies that can compete based on sovereign financial resources have a decided advantage. The U.S. civil nuclear industry is particularly challenged in competing in global markets where sovereign enterprises can employ preferential financing. U.S. reactor companies are currently in negotiations or actively pursuing opportunities for global commercial deployment in multiple markets in which EXIM Bank funding support is essential. These new U.S. reactors include enhanced and passive safety features as well as simplified, cost-effective designs that many countries are seeking.

When U.S. nuclear energy technology is deployed in other countries, it is a catalyst for goods and services from U.S. companies through supply chains that reach hundreds of businesses. One large international reactor order is projected to create 1,500 American jobs. The U.S. nuclear energy industry is the catalyst for approximately 475,000 jobs and \$60 billion in gross domestic product as well as nearly 60 percent of the U.S.'s carbon free clean electricity. The supply chains supporting a commercial nuclear reactor often last for decades covering the 100-year operating life cycle of the reactors from project development through decommissioning. Even where large American companies are not the primary reactor provider, U.S. companies receive support directly from the EXIM for their involvement supplying domestically produced components and services to overseas nuclear energy programs. These large and small U.S. businesses bring unique, world-leading expertise in vital areas, including nuclear safety and nonproliferation.

Recommendations

The CINTAC strongly supports the reauthorization of the EXIM Bank of the United States on an urgent basis.

It urges expeditious Congressional reauthorization of the EXIM Bank charter and its vital work on behalf of American jobs, exports and competitiveness, including U.S. civil nuclear energy exports.

The CINTAC also advocates consideration of a longer-term reauthorization of EXIM for 10 years as well as measures to modernize the Bank by markedly increasing EXIM's lending authority up to \$200 billion while adding governance reforms, versatility and flexibility to enhance its financial competitiveness globally.

Handout 3: Infrastructure Subcommittee's revised matrix

CINTAC Infrastructure Subcommittee Actions

Action Item #	Focus Area(s)	Action	Subcommittee Lead(s)	Expected Completion	Completion Criteria
1	3 & 4	<p>Work with DOC to complete development of the DOC Civil Nuclear Industry Toolkit and promote US industry use of the Toolkit. The completed Toolkit should provide a list of contacts and services that may be provided for buyers and suppliers of civil nuclear products, equipment and services. It should also provide a clear roadmap on use of the Toolkit. Also request all current CINTAC members be listed in the Toolkit</p> <p>NOTE: The Toolkit is currently listed as “coming soon” which implies the Toolkit (Buyers Guide) has not yet been developed. However, buyers and suppliers may sign up to be included in now. Should committee recommend to DOC prioritizing completion of the Toolkit / Buyers Guide?</p>		04/30/2020	<ol style="list-style-type: none"> Letter from CINTAC to the DOC requesting completion of the Buyers Guide and subsequent promotion of the Buyers Guide to US Industry. At least 30 US companies and 90% or CINTAC members populated.
2	All	<p>Provide DOC with a summary of recommended innovative US nuclear products and services to be marketed internationally (potential US nuclear exports). Potential candidates will be derived from:</p> <ul style="list-style-type: none"> Working with DOC to solicit US departments (DOE, NRC, etc.) nuclear products and services that may be good candidates for export marketing. Soliciting suggestions from CINTAC members 		03/30/2020	<ol style="list-style-type: none"> Subcommittee develop an approved list and submit to the DOC. Letter from CINTAC submitted to DOC requesting this action.
3	1	<p>Working with DOC, request international advocacy for newly developed US products, technologies or services, such as those invested in by DOE. Also solicit input from CINTAC members during regularly held meetings.</p>		N/A	<p>This action has been integrated into Action #2</p>

CINTAC Infrastructure Subcommittee Actions

Action Item #	Focus Area(s)	Action	Subcommittee Lead(s)	Expected Completion	Completion Criteria
4	2	<p>Ask DOC to research possibility of the NRC using US regulatory service suppliers to supplement their staffing / services if the NRC provides services internationally. This assumes:</p> <ul style="list-style-type: none"> • The NRC engages internationally to provide emerging nuclear countries a regulatory framework etc. • A high-level agreement is developed for the NRC to supplement their staff or services with US suppliers when demand exceeds their current abilities. <p>NOTE: Subcommittee members believe this action might be a challenge as it could be viewed as a conflict of interest for the NRC. As such, this action was revised during the August 16, 2019 meeting to promote supplementing NRC staffing and services based on NRC need rather than the industry “partnering” with the NRC on international work.</p>		TBD	Letter from CINTAC to DOC requesting this action
5	1	<p>Work with DOC, and Regulatory and Policy Subcommittee to ask NRC to host international workshop to review/standardize regulatory standards for advanced reactors.</p> <p>NOTE: Subcommittee members determined this action may be too ambitious for the NRC as countries are reluctant to endorse standards that differ from theirs. Also, since international conferences are held regularly, this may be a better conference topic with NRC involvement once the international nuclear community agrees there is a need. Also, Subcommittee members agreed this action would include previous action to “Promote international coordination on high temperature code revisions which when implemented will simplify nuclear plant design acceptance.”</p>		TBD	Letter from CINTAC to DOC requesting this action.

CINTAC Infrastructure Subcommittee Actions					
Action Item #	Focus Area(s)	Action	Subcommittee Lead(s)	Expected Completion	Completion Criteria
NO FURTHER ACTION REQUIRED					
7	All	Solicit CINTAC members for innovative nuclear products and services that may be good candidates for export marketing.		N/A	<i>This action has been incorporated into Action Item #2 above</i>
8	1	Develop a policy briefing on international software and computer code exporting opportunities. Examples include engineering software designed to simplify nuclear plant design.		N/A	During the August 16, 2019 CINTAC meeting, the Subcommittee determined that “promotion of software and computer codes” is a specific product that should be included in the Toolkit (reference Action Item #1). No further action is required for this action item.
9	All	Propose revision to current CINTAC Charter to more clearly identify that domestic nuclear success, promoted international nuclear success.		TBD	CINTAC charter revision drafted and submitted to CINTAC for approval. Based on discussion at the August 16, 2019 CINTAC meeting, this action item has been tabled pending more input and discussion to fully understand the intent and deliverable(s).