

# CINTAC

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## 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

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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

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

## **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 construction<sup>1</sup>. 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 components<sup>2</sup>.

### **US Nuclear Plants = Showcase For Global Sales = Domestic Economic Benefits<sup>3</sup>**

- 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.

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<sup>1</sup> World Nuclear Association, January 2011

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

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