

July 6th 2015

SUBJECT: US-China Civil Nuclear Cooperation (123) Agreement

Dear Member of Congress:

I write today on behalf of the 11,000 members of the American Nuclear Society to urge you to support entry into force of the U.S.-China Civil Nuclear Cooperation Agreement (123 Agreement).

The ANS believes that the U.S.-China 123 agreement represents a balanced approach to supporting U.S. nonproliferation policies while honoring the rights of other nations to use civilian nuclear technologies for peaceful purposes.

As part of the new agreement, U.S. nuclear businesses will continue to be allowed to compete with their international counterparts to provide China with nuclear reactor systems and associated services. In turn, China agrees to a comprehensive package of security and non-proliferation measures, including International Atomic Energy Agency (IAEA) safeguards, no retransfer of any nuclear material or classified data without U.S. consent, and high levels of physical security for any nuclear facilities or material. The agreement would still require subsequent approval for third party retransfers, as well as operate under existing "part 810" requirements that govern specific exports of peaceful nuclear energy technology.

China views nuclear energy as a central component to building a clean, secure, and sustainable energy supply to meet its growing needs and is currently the world's largest nuclear growth market. It has 24 nuclear power plants in operation and 25 plants under construction, with many more planned. U.S. companies already have several large scale contracts in place to provide a wide range of components and services.

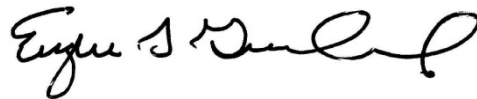
However, while the positive economic impacts of U.S.-China nuclear trade are undeniable, ANS believes that the greatest long-term benefits of U.S. nuclear engagement lie in our ability to influence global standards of nuclear safety and security. Nuclear technology exports provide the U.S. with important nonproliferation advantages, including consent rights over enrichment and reprocessing of U.S. obligated nuclear material, the ability to control the retransfer of nuclear technology, and greater general influence over the policies of partner nations. The U.S. is only one of several nations capable of supporting the development of civil nuclear energy programs in emerging markets. Countries like France and Russia aggressively promote their nuclear

technology and have wide-ranging bilateral nuclear trade agreements with China. ANS believes that the United States should work with organizations such as the International Atomic Energy Agency (IAEA) and the Nuclear Suppliers Group (NSG) to ensure nonproliferation expectations are administered consistently by all countries that supply nuclear technology and that a competitive global market for fuel cycle services is available to nations developing civilian nuclear programs.

In closing, please recognize that the choice before Congress is not whether China should be allowed to pursue an expansion of its nuclear sector, but only whether U.S. companies will be given the opportunity to play an influential role in guiding its development.

If you have any additional questions, or would like further information, please contact Craig Piercy, Washington Representative, at 202-973-8050.

Respectfully,

A handwritten signature in black ink, appearing to read "Eugene S. Grecheck". The signature is fluid and cursive, with the first name "Eugene" being the most prominent part.

Eugene S. Grecheck
President
American Nuclear Society