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February 24, 2015

Dr. Steven P. Croley  
General Counsel  
U.S. Department of Energy  
Mailstop GC-1, 1000 Independence Avenue, SW  
Washington, DC 20585

Subject: Request for Extension of Public Comment Period; Convention on Supplementary  
Compensation for Nuclear Damage Contingent Cost Allocation  
Docket Number DOE-HQ-2014-0021 – RIN 1990-AA39

Dear Dr. Croley:

On December 17, 2014, the Department of Energy (“Department” or “DOE”) published a Notice of Proposed Rulemaking (“NOPR”) (79 Fed. Reg. 75,076) setting forth proposed regulations to establish the framework for the retrospective risk pooling program through which the federal government would be reimbursed if a call for funds were made under the Convention on Supplementary Compensation for Nuclear Damage Contingent Cost Allocation (“CSC”). This rulemaking implements Section 934 of the Energy Independence and Security Act of 2007 (“EISA”).

The NOPR provides a 90-day comment period; comments are currently due to DOE by March 17, 2015. On January 28, 2015, the Nuclear Energy Institute (“NEI”) filed a request to extend the public comment period until May 19, 2015. (A copy of that letter is included as an Enclosure to this letter.) The Babcock & Wilcox Company (“B&W”) fully supports and endorses NEI’s extension request and respectfully requests that the comment deadline be extended by 60 days. On February 23, 2015, CIGNL represented by Omer Brown, also filed an extension request. We understand that the Department has not yet responded to these requests, and urge DOE to grant an extension as soon as possible.

Given Congress’ direction in the Energy Independence and Security Act of 2007, implementation of that statute is likely to have a significant impact on the competitiveness of U.S. nuclear suppliers. B&W believes a longer public comment period is necessary for the industry and individual companies to fully assess the economic and reporting burden of the proposed rule, and to consider possible approaches that suppliers might usefully recommend.

We would also note that discussions during the February 20, 2015 DOE public workshop on the CSC rulemaking highlighted the need to give stakeholders more time to formulate useful comments on

the proposed rule and recommendations for improvements. I appreciated the opportunity for productive dialog made possible by DOE holding this workshop. Virtually all of the supplier workshop participants expressed concern about the difficulty of evaluating the rule's potential effect on nuclear suppliers given the gaps in information in the allocation methods. DOE, for its part, acknowledged the many complexities reflected in the proposed rule and repeatedly articulated the Department's interest in receiving substantive stakeholder input to inform any future rulemaking proposals. In short, virtually all of the discussion during the workshop underscored the need for a longer public comment period.

For all of these reasons, we respectfully ask that DOE extend the comment period to May 19, 2015.

Should you have questions or require additional information relating to this request for extension, please contact me.

Sincerely,



Robert K. Temple, Esq.  
Assistant General Counsel

Enclosure

**ELLEN C. GINSBERG**  
*Vice President, General Counsel and Secretary*

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January 28, 2015

Dr. Steven P. Croley  
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Mailstop GC-1, 1000 Independence Avenue, SW  
Washington, DC 20585

**Subject:** Request for Extension of Public Comment Period; Convention on Supplementary Compensation for Nuclear Damage Contingent Cost Allocation  
Docket Number: DOE-HQ-2014-0021 – RIN 1990-AA39

Dear Dr. Croley:

On December 17, 2014, the Department of Energy (Department or DOE) published a Notice of Proposed Rulemaking (NPR) (79 Fed. Reg. 75,076) setting forth proposed regulations to establish the framework for the retrospective risk pooling program through which the federal government would be reimbursed if a call for funds were made under the Convention on Supplementary Compensation for Nuclear Damage Contingent Cost Allocation (CSC). This rulemaking implements Section 934 of the Energy Independence and Security Act of 2007 (EISA) which not only authorizes DOE to promulgate such regulations but also directs DOE to consider risk factors in developing the formula for allocation of supplier liability.

The NPR provides 90 days for stakeholders to develop and submit comments. As explained below, given the complexity of the proposed rule and its potential impact on U.S. nuclear suppliers, NEI believes a longer public comment period is warranted. Therefore, we respectfully request that the March 17, 2015 deadline for comment be extended by 60 days.

As DOE recognizes, the retrospective risk pooling program required by EISA has the potential to significantly affect U.S. nuclear supplier exports. NEI, on behalf of its members in the domestic nuclear supplier community, submitted extensive comments in 2010 in response to DOE's Notice of Inquiry. Our comments emphasized, among other views, that DOE needed more data before an equitable and implementable program could be structured. Those comments also identified a number of specific features that the program should include (e.g., equitable distribution among participants; a cap on individual supplier liability; insurability of the risk). In short, because nuclear exports contribute to the U.S. domestic economy and effectively increase international nuclear safety, our comments rested on the principle that any proposal implementing EISA's directives should not undermine the objectives of the administration's

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National Export Initiative or unnecessarily impede U.S. nuclear exports.

We appreciate that DOE clearly recognizes the potential impact of these regulations and has attempted to address many of the issues identified in our comments. To that end, the current proposal clarifies and defines many of the critical terms about which we expressed concern. It also puts forward two alternative formulas to be used in calculating each participating supplier's risk premium payment.

Notwithstanding the effort DOE has put into developing its proposals, many of the features of the proposed rule require extensive analysis and consideration by many members before NEI can formulate comments. For example, although each alternative sets out a method to calculate a supplier's liability, the lack of information regarding certain terms means that multiple sensitivity studies are needed to determine the impact each alternative might have on a given supplier. Further, the proposed rule requests that affected companies supply significant amounts of information, some of which is more than 50 years old. Ascertaining the availability of this material is an exercise in itself. And, even assuming the documents exist, it will be quite time-consuming for companies to locate, examine, and analyze them. Additionally, detailed analyses are necessary to determine how a company's size and revenue, and type of nuclear export, will affect its liability under each approach to the pooling program; whether there should be additions or deletions to the list of nuclear items from the risk ranking in the Appendices to Alternative 1; whether the term "lead nuclear supplier" is sufficiently defined to clarify the meaning of Facility Sector nuclear suppliers; whether there is a basis for the proposed risk allocation for each sector; and whether DOE's assessment of financial burden is accurate.

Given the complexity of the proposed rule and the scope of issues it brings to the fore, NEI respectfully suggests that the current comment period is insufficient for the industry and other stakeholders to develop comments. Thus, we respectfully request that DOE extend the comment period to May 19, 2015.

Should you have questions or require additional information relating to this request for extension, please contact me.

Sincerely,



Ellen C. Ginsberg

cc: Anita Capoferri, Esq., DOE OGC  
Sophia Angelini, Esq., DOE OGC