



April 17, 2015

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Submitted Via Email: Section934Rulemaking@Hq.Doe.gov

RE: Comments of AREVA Inc.; DOE Notice of Proposed Rulemaking on Convention on Supplementary Compensation for Nuclear Damage Contingent Cost Allocation (Section 934 of the Energy Independence and Security Act of 2007); Docket No. DOE-HQ-2014-0021; RIN 100-AA39

By Notice of Proposed Rulemaking (“NOPR”) published in the *Federal Register* of December 17, 2014, and Extension of Public Comment Period published in the *Federal Register* of March 9, 2015, the U.S. Department of Energy (“DOE”) has invited the public to submit comments and supplementary information regarding DOE’s proposal to issue regulations under Section 934 of the Energy Independence and Security Act of 2007 (“Act”). Section 934 establishes a retrospective risk pooling program by which nuclear suppliers are expected to provide funds in the same amount as what the U.S. government would be obligated to contribute to an international supplementary fund under the Convention on Supplementary Compensation for Nuclear Damage (“CSC”) in the event of certain nuclear incidents.

On behalf of AREVA Inc. and its affiliated U.S. companies (“AREVA U.S.”), we appreciated the opportunity to participate in the related DOE Information Session on January 7, 2015, and the Public Workshop on February 20, 2015. We further welcome this opportunity to submit the following comments, which serve to supplement the detailed comments developed by the Nuclear Energy Institute (“NEI”).

We echo NEI’s admonition that any rule implementing the Act should avoid unnecessary economic penalties on U.S. suppliers. AREVA INC. and other U.S. nuclear supplier companies derive significant revenue from sales outside the U.S. We share NEI’s concern that overly complex compliance burdens, or an excessive effective tax on participation in the nuclear export market, may have the consequence of disadvantaging U.S. exporters and pushing orders, and the

AREVA INC.



substantial investment capital undergirding that export capability, to non-U.S. entities. While different countries have employed varying methods for implementing civil nuclear liability protection—for instance, the Paris Convention on Third Party Liability in the Field of Nuclear Energy and the Vienna Convention on Civil Liability for Nuclear Damage—we note that no CSC-ratifying State other than the U.S. requires that its commercial stakeholders reimburse their respective government for the intergovernmental liability protection intended by the CSC.

While we understand the challenge of proposing regulations consistent with the Act, we also concur with NEI regarding the difficulty of suggesting improvements to the Alternative 1 and Alternative 2 models in the NOPR without further specific information and supporting detail necessary to meaningfully evaluate these models. Critical information, which can be surveyed and then published in conjunction with a Supplemental NOPR, will allow companies to determine with much more meaningful certainty the potential risk exposure and whether such liability is equitable. Furthermore, we agree with NEI that there must be a cap on the liability of any one supplier. The Supplemental NOPR should include a defined maximum liability cap, both per covered incident and in total, for review and public comment.

Finally, we agree with NEI that the contingent cost allocation approaches in the NOPR are unnecessarily complex and lack technical bases for certain factors and assumptions embedded therein. The overly complicated information collection and reporting system that the NOPR proposes—which in some cases requires detailed information on transactions dating back more than 50 years—should be simplified and reach back only so far as the year of enactment of the Act, 2007, so that the needed data can be furnished without undue hardship on companies in compliance. We support the NEI-proposed Alternative Risk Allocation Model, in lieu of Alternatives 1 and 2 in the NOPR, and we strongly urge that the Supplemental NOPR should offer that industry-acceptable approach for review and public comment.

Thank you for your consideration of these comments on behalf of AREVA U.S.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mary Alice Hayward', written in a cursive style.

Mary Alice Hayward
Vice President
Government Affairs & Advocacy

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