

MEMORANDUM OF COOPERATION
ON NUCLEAR SAFETY FOR THE WESTINGHOUSE
AP1000 NUCLEAR REACTOR
BETWEEN

THE NUCLEAR REGULATORY COMMISSION
OF THE UNITED STATES OF AMERICA
(USNRC)

AND

THE NATIONAL NUCLEAR SAFETY ADMINISTRATION OF
THE PEOPLE'S REPUBLIC OF CHINA
(NNSA)

MAY 23, 2007

MEMORANDUM OF COOPERATION
ON NUCLEAR SAFETY FOR THE
WESTINGHOUSE AP 1000 NUCLEAR REACTOR
BETWEEN
THE NUCLEAR REGULATORY COMMISSION OF
THE UNITED STATES OF AMERICA
AND
THE NATIONAL NUCLEAR SAFETY ADMINISTRATION OF
THE PEOPLE'S REPUBLIC OF CHINA

WHEREAS, the United States Nuclear Regulatory Commission (NRC) and the National Nuclear Safety Administration of China (NNSA) have a mutual interest in continuing exchange of information pertaining to regulatory activities and standards required or recommended by their organizations for the regulation of safety and environmental impacts of nuclear facilities and have a common objective of improving the safety of nuclear facilities and materials and of protecting the public health and safety and the environment;

WHEREAS, the NRC and the NNSA in accordance with and subject to the "Agreement Between the Government of the People's Republic of China and the Government of the United States of America on Cooperation in Science and Technology" are already engaged in general cooperation in nuclear safety matters under the "Protocol Between the Nuclear Regulatory Commission of the United States of America and the National Nuclear Safety Administration of the People's Republic of China on Cooperation in Nuclear Safety Matters," first signed on October 17, 1981 and renewed for five-year periods beginning in 1986, 1993, and 1998; and the Protocol between the Nuclear Regulatory Commission of the United States of America and the National Nuclear Safety Administration of the People's Republic of China on Cooperation and Nuclear Safety Matters, signed April 23, 2004 (2004 Protocol);

WHEREAS, the NRC and the NNSA, under the terms of the afore mentioned Protocol have been engaged in cooperative dialogue on the Westinghouse Advanced Pressurized Reactor (AP 1000), a new reactor design, which will be purchased by China; and having further noted the benefits of cooperation with the goal of improving the effectiveness and efficiency of the regulatory reviews and construction of this reactor design;

Are committed to the following:

1. The cooperation between the NRC and NNSA on the AP 1000 will be done under the NRC-NNSA Steering Committee on Nuclear Safety Cooperation which will meet annually to discuss the specific cooperative programs for this project.

2. The NRC and NNSA will cooperate on the nuclear safety review and inspection for the siting, design, manufacturing, construction, commissioning and operation phases of the AP 1000 nuclear reactor. Cooperation anticipated under this review will include, but is not limited to: the sharing of pertinent regulatory information, the exchange of technical personnel for the purposes of training and peer review activities associated with the AP 1000, NRC and NNSA consultation on construction inspection and inspection of the manufacturing of nuclear components for the AP 1000, cooperation on other activities that would seek to leverage the expertise of each of the national regulatory bodies. Detailed areas of cooperation and the specific timing and sharing of relevant documents for the activities listed in this memorandum will be agreed upon under the auspices of the Steering Committee mentioned in Paragraph 1.

3. The NRC has received the NNSA's request for access to analytical computer codes relevant to the safe construction and operation of the AP 1000. The NRC has also received the NNSA's request to join the CAMP and CSARP user groups. The NRC supports NNSA's participation in these groups and its efforts to safely construct and operate the AP 1000. The NRC commits to expeditiously process the NNSA's request in accordance with applicable U.S. laws and regulations.

4. The cost and financial burden associated with the carrying out of the activities set forth in this memorandum will be agreed upon under the auspices of the Steering Committee mentioned in Paragraph 1. The international travel and living expenses of Chinese experts during the implementation of this cooperative program within the USA will be borne by NNSA, and the international travel, local transportation and living expenses of NRC experts during the implementation of this cooperative program within China will be borne by NNSA. Each agency will be responsible for the costs of salary and benefits for its own staff. The NRC and NNSA may further discuss the allocation of these other costs under the auspices of the Steering Committee.

5. The NRC and the NNSA expect that this cooperation will provide continued benefits during the subsequent licensing and operational phases of the AP 1000, setting the stage for improved communications and sharing of technical knowledge during future regulatory activities, including the identification and resolution of evolving safety issues.

6. The activities conducted under this Memorandum of Cooperation will be limited to those governed by the 2004 Protocol between the NRC and the NNSA, mentioned in paragraph two of the preamble of this Memorandum, as it may be amended. The NRC and the NNSA expect to revise the 2004 Protocol to address the sharing, handling, use and disclosure of sensitive information, and to incorporate language governing the protection of Intellectual Property Rights, and such other matters as the NRC and the NNSA agree are appropriate.

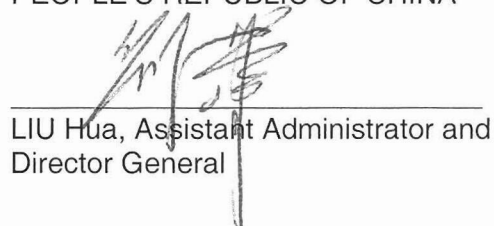
7. This Memorandum will remain as a guide for cooperation between the NRC and the NNSA until the NNSA issues the operating licenses for the first four AP 1000 units, or unless terminated in writing by the NRC or the NNSA.

Signed at Washington, D.C. on the 23rd day of May 2007, in the English and Chinese languages.

FOR THE NUCLEAR REGULATORY
COMMISSION OF THE UNITED
STATES OF AMERICA


Jeffrey S. Merrifield, Commissioner

FOR THE NATIONAL NUCLEAR SAFETY
ADMINISTRATION OF THE
PEOPLE'S REPUBLIC OF CHINA


LIU Hua, Assistant Administrator and
Director General