QUESTIONS FOR THE RECORD RESPONSES FROM ART ATKINS

QUESTION FROM CHAIRMAN FRED UPTON

Q1. Your testimony suggests review times for Part 810 specific authorizations have dropped from 18 to 12 months. Does this reduction in processing time include authorizations that are now deemed exports? If so, please do a side by side comparison that excludes the things that are now deemed exports.

A1. Average processing times for specific authorizations approved pursuant to 10 CFR Part 810 (Part 810) have decreased from a high of more than 18 months, which was the average processing time in Fiscal Year (FY) 2012, to the current average of approximately 12 months. These figures reflect all approved specific authorizations, including both deemed export applications and all other specific authorizations (referred to here as "regular exports"). Between FY 2012 and the present, the average time for approval of deemed exports decreased significantly, from 28 months to 11 months, while the average processing time for regular exports increased slightly from 15 months to 17 months.

These changes in average processing times are due to a number of factors. Processing times in FY 2012 for deemed export applications were high because the Department was in the process of determining the legal requirements and appropriate administrative procedures for authorizing this type of export. These processing times began to decrease once the Department finalized the procedures, which allow for foreign nationals working for U.S. companies to be granted specific authorizations under Part 810 on the basis of a nondisclosure agreement signed by the individual, rather than a written assurance from their government, which had been required previously. Foreign governments often are hesitant to provide such assurances for individuals who live and work outside of their borders.

With regard to regular export authorizations, processing times have increased for a variety of reasons, including new provisions in the FY 2016 National Defense Authorization Act that require the Office of the Director of National Intelligence to review all proposed transfers to China and Russia. While this requirement applies to both deemed and regular exports, deemed exports to Chinese and Russian citizens are relatively rare, so the new requirement has had a much larger impact on the processing times for regular exports. Additionally, approval times

were further impacted by ongoing policy reviews, and the time required to obtain government-to-government nonproliferation assurances.

As discussed below, the Department is currently implementing a number of actions that will reduce processing times for both deemed and regular exports, while maintaining strong nonproliferation controls on U.S. nuclear technology.

Q2. During the hearing you noted that DOE is looking at actions that can reduce processing times, such as providing the Secretary the authority to approve authorizations contingent on receiving assurances from the Department of State. Please provide further detail regarding the prospective policy changes the Department is considering improving the efficiency of specific authorization approval, including expected timeframes and milestones.

A2. As part of the implementation of the Department of Energy (DOE)'s Part 810 Process Improvement Plan, the Department is taking a number of steps to reduce processing times and improve efficiency and transparency. First, DOE is modifying the Part 810 review process so that most of the required DOE reviews of applications for specific authorization can be conducted in parallel with the Department of State's (DOS) effort to obtain nonproliferation assurances from the foreign government that would receive the technology. Under the revised process, however, applications will not be sent to the National Nuclear Security Administration (NNSA) Administrator or Secretary of Energy, until the application package is complete, including a final DOS concurrence and the associated government-to-government nonproliferation assurance. DOE expects to begin implementing parallel processing starting with the next application for specific authorization that is received. Moving forward, DOE will also continue to work with DOS on options to reduce the time required to obtain nonproliferation assurances from foreign governments.

Second, DOE is working to establish timely yet realistic deadlines for internal review of Part 810 applications. This will further reduce processing times by holding offices accountable for meeting specified review timelines, and will improve the predictability of the application review process for applicants. DOE is finalizing the review deadlines now and expects to have them in force within the next several weeks.

Third, DOE is enhancing the functionality of e810, an electronic submissions portal for Part 810 applications and reports that was made available to exporters in January 2017 to streamline the application process and increase transparency for applicants. By March 2019, DOE will release e810 Phase 2, which will include new functionality for electronic review of documents by DOE and the interagency. This will make it easier for DOE to track the progress of reviews and will enable regular, automated status updates to applicants. Subsequently, DOE will begin development of e810 Phase 3, which will add detailed reporting functionality to the system. The Phase 3 system update is planned for release by March 2020.

In addition to these ongoing process improvement initiatives, DOE is reviewing additional options that would further reduce processing times and enhance compliance and monitoring.

Q3. Your testimony noted that NNSA is "looking at capability to meet High-assay LEU" for commercial needs. Will you please describe the nexus between NNSA's material management and opportunities to provide high-assay LEU for commercial purposes?

A3. NNSA is responsible for managing the United States' inventory of enriched uranium to ensure that it is used effectively. Due to the limited supply of enriched uranium, and projected future demands for both government and commercial use, NNSA is also working within the broader DOE to explore the establishment of a domestic enrichment capability.