

July 3, 2014

Dr. David Victor
School of International Relations and Pacific Studies
University of California, San Diego
9500 Gilman Drive, MC 0519
La Jolla, CA 92093-0519

Dear Chairman Victor:

My company, NAC International Inc. (NAC), is one of the three qualified and experienced domestic companies offering to provide safe, secure spent fuel dry storage of the SONGS fuel. In addition to supplying operating nuclear plants with U.S. Nuclear Regulatory licensed spent fuel dry storage technology, NAC is the leading supplier of spent fuel dry storage for decommissioning sites. NAC has a unique distinction in the marketplace of decommissioning plants, such as SONGS, who need to manage their spent nuclear fuel, decommission and promptly proceed to greenfield. Specifically, we have provided more than 75% of transportable storage systems delivered to decommissioning nuclear power plant sites around the country. Our active decommissioning site projects include the Zion Nuclear Power Station -- where we are supplying 61 of our proven MAGNASTOR® high-capacity systems, each capable of storing up to 37 PWR assemblies and 4 Greater Than Class C (GTCC) waste storage systems. Our customer has loaded 25 systems and is safely and efficiently loading systems at the impressive rate of approximately 5 per month. Our other active decommissioning site project is the Kewaunee Nuclear Station, where we are providing our customer there with a full scope of supply, including the service to load the systems with spent fuel and place them for safe intermediate term storage. At Kewaunee, we are committed to supplying and loading 24 MAGNASTOR systems within 3 years of the contract's execution date and within 4 years of the Kewaunee Nuclear Station's cessation of operations. It may be of interest to you to note that in a competitive procurement involving all three of the domestic suppliers, NAC was able to convince our customer for the Kewaunee project to transition from its incumbent dry storage supplier, which is SONGS' incumbent supplier, by the way, to NAC's MAGNASTOR technology and its distinct benefits.

We believe NAC's technology similarly offers unique advantages to SCE and SONGS stakeholders. We are confident of the compelling value of our offer, as the preponderance of our other decommissioning site customers have recognized, when the safety, security, environmental, schedule and economic benefits of our technology are objectively evaluated against the alternatives. We believe that we uniquely offer an ISFSI expansion solution with the smallest footprint and least excavation, using only the existing ISFSI space without drain and barrier modifications, which should facilitate more expeditious local permitting. We understand that the selection is ultimately SCE's, of course, and that the CEP under your chairmanship will provide its inputs into the process. My aim in writing you is to express that I and my organization understand the vital role of community engagement, education and communication in any decommissioning project, and that we will, if we are selected, have safety, stewardship and transparency as our guiding principles in the management of the SONGS fuel.

More importantly we also understand that the near term project to put the SONGS spent fuel into safe and secure dry storage is not the end game, and does not achieve the ultimate objectives of the community. We understand the critical objective of safely and securely transporting the fuel away from the local communities to a national final repository or regional interim storage facility as promptly as possible. NAC has the technical, regulatory, policy and hands-on transportation expertise to advise the SONGS CEP or other state and local stakeholders in adroitly advocating for a national or regional interim storage facility. NAC's participation in this project would include our full commitment to advising and supporting these ultimate objectives.

If you or the other CEP members have any information needs related to the safe storage and transportation of spent nuclear fuel or our technology in particular, please contact me. We would be pleased to meet with you or the CEP at your convenience.

Very best regards,



Kent Cole
President and CEO

cc: via e-mail

Mr. Tom Palmisano (SCE)
Mr. Edward Avella (SCE)
Mr. Steven Buckner (NAC)
Mr. George Vaughan (NAC)