

May 27, 2020

The Honorable Adam Bohler
Chief Executive Officer
U.S. International Development Finance Corporation
1100 New York Avenue, NW
Washington, DC 20527

Subject: U.S. International Development Finance Corporation - Opportunity to Advance U.S.
Leadership to Secure Clean-Energy and Future Economic Security for Allied Partners

Dear Mr. Bohler:

First, we would like to commend you, the U.S. International Development Finance Corporation (DFC) and its Board of Directors for successfully establishing the DFC and bringing together legacy organizations of the Overseas Private Investment Corporation (OPIC) and the Development Credit Authority within the U.S. Agency for International Development (USAID), as directed under the Better Utilization of Investments Leading to Development (BUILD) Act.

Secondly, as a consulting and project services firm with over 25 years in the U.S. energy and infrastructure industry, IBEX looks forward to the DFC delivering the essential capital and related financial support to enhance U.S. participation and prospects in trade and industry development opportunities abroad, while enhancing U.S. foreign policy priorities, relationships and cultivating like-minded economic prosperity networks.

Thirdly, we are heartened by the DFC's enthusiasm to help reinvigorate sectors of our industry that have significant importance to U.S. national security, in particular DFC's recent acknowledgement of the administration's Nuclear Fuel Working Group report and the recommendation to remove prohibitions on financing nuclear power projects. Eliminating such exclusions will go a long way to deliver to the world a pathway for secure and reliable carbon free energy, as well as leveraging nuclear technology's ability to aide production of clean water and more environmentally responsive industrial processes. DFC's support, along with that from the U.S. Export Import Bank (EXIM), World Bank and U.S. supported Multilateral Development Banks (MDBs), can help raise the U.S. to effectively compete across the globe -- not only against the likes of state-owned nuclear companies from China or Russia -- but equitably and transparently against all technologies offering a clean-energy solution, including those receiving subsidies or special treatment.

Additionally, given DFC's new investment capacity, in particular leveraging use of its equity facility coupled with EXIM's renewed lending authority, the U.S. is in a strong position to pack a one-two punch to counter Sino and Russian schemes that seek to secure projects at the future expense of a sovereign's energy independence and national security. We suggest that DFC work more closely with EXIM, as well as other governmental departments, e.g. the Department of Treasury, Department of Commerce, etc., to develop an overall inter-agency funding strategy to enable an order book of business by U.S. industry and its allied partners exceeding \$200 billion in the next few years to counter the Sino-Russian influence. This would send a definitive signal that U.S. is a market force to be reckoned and with resources. In addition, should DFC find they may lack the necessary nuclear market expertise needed to effect timely support, we recommend reaching out to EXIM and the U.S. Department of Energy (DOE) that have seasoned expertise to assist DFC in any number of areas, e.g. due diligence, finance risk, lending, etc.

Lastly, as alluded to above, there are a number of global financial institutions, NGOs, and others that have hostile biases towards certain energy resources, including nuclear power plants. Those biases are unwarranted and antiquated for a number of reasons. Yet, those prejudices are real and permeate across the entire global energy sector, disrupting opportunities and creating unnecessary barriers. Dismissal of a particular energy technology's value on philosophical reasons as opposed to fact-based environmental, economic and/or energy security reasons should not be tolerated. Likewise, forcing such viewpoints or policies on neighboring sovereigns or economic trading partners without due process is equally unwarranted.

Accordingly, we believe the U.S. -- through the DFC and other Federal Government leadership -- should similarly work with international counterparts of like-mind and fairness to support a level playing field when valuing all resources, whether low-carbon or carbon-free. A few examples where strong prohibitions or "soft-targeting" exist against nuclear power's value proposition include:

1. European Community's proposed Taxonomy and Emissions Trading System (ETS);
2. MDBs, international green banks, private equity firms, and corporate environmental, social and corporate governance (ESG) schemes; and
3. the Network for Greening the Financial System (NGFS).¹

As the U.S. seeks to ensure international markets are fair, transparent and rule-based to facilitate opportunities, especially when competing against China and Russia, so to should the U.S. expect responsible institutions and markets adopt fair-minded policies and practices that do not discourage, exclude or prohibit consideration of all clean-energy options.

Again, we congratulate you, the DFC and the Board's leadership for the progress you have made to get the corporation ready to take on such an important and transformation mission ahead. We look forward to all the future successes and the productive marks the DFC will make to our country's leadership legacy and the betterment of all mankind.

Thank you for the opportunity to provide our views, and please contact us if you have any questions.

Sincerely,



Robert E. Sweeney
President & CEO

cc: DFC Board of Directors

¹ NGFS defines and promotes green finance within and outside of its membership. For the last few years there has been pressure on countries to join the NGFS, including the U.S. Most recently, members of the U.S. congress petitioned Jerome H. Powell, Chair of the Board of Federal Reserve, seeking the Federal Reserve join the NGFS. We believe that the NGFS would not be immune from politics and influences that can hurt U.S. business and banking interests. The U.S. as a matter of policy should not engage its central bank in international environmental or energy policy advocacy, even if the NGFS developed an all-the-above energy policy -- which it has not.

<https://casten.house.gov/sites/casten.house.gov/files/2020-05-18%20Letter%20to%20the%20Fed%20about%20Network%20for%20Greening%20the%20Financial%20System.pdf>