

From: Tom Cochran

Sent: Thursday, June 22, 2017 5:47 PM

To: [REDACTED]@mail.house.gov

Cc: Alex Copson [REDACTED]@acustrategicpartners.com>; Egan, Thomas J [REDACTED]@bakermckenzie.com>;

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Subject: Letter from Ranking Member Cummings and Ranking Member Engel to Mr. Kelner, Rear Admiral Hewitt, and Mr. Copson.

The Honorable Elijah E. Cummings

Ranking Member

Committee on Oversight and Reform

U.S. House of Representatives

Washington, D.C. 20515

The Honorable Eliot L. Engel

Ranking Member

Committee on Foreign Affairs

U.S. House of Representatives

Washington, D.C. 20515

Dear Ranking Member Cummings and Ranking Member Engel,

Regarding your letter of June 19, 2017, Mr. Thomas J. Egan, Jr. has responded on behalf of ACU Strategic Partners (ACU). Because your letter referenced an erroneous, misleading and poorly-sourced magazine article that significantly distorts ACU's energy and security project, it is also essential to explain the project's critical goals and key benefits for both the US and Israel. This is especially important at a time when US-Russia relations – particularly in the Middle East – are deteriorating to a very dangerous level.

The core nonproliferation mission of the ACU project is to exert control over the numerous emerging independent nuclear power programs in the Middle East – and head off a nuclear arms race. The project is designed to establish a private-public partnership to address serious nuclear security issues that cannot be solved

by government alone. By creating a regional electricity authority in the Middle East – like the Tennessee Valley Authority in the United States – the project facilitates long-term stability, security and unprecedented economic development – giving hope to young Arabs and eliminating conditions that spur the growth of radicalism.

As you know, military actions by themselves will not solve the problems of the Middle East. The project will provide the United States with a positive and constructive long-term presence in the region, as exemplified by the Marshall Plan.

To deliver the new Middle East electricity authority – which is expected to be fully funded by the Gulf Arab states – ACU has organized a substantial ready-to-go international consortium of leading US, French, Dutch, Russian, Gulf Arab, British, Ukrainian and Israeli industrial companies. The consortium members have been designated to build, operate and secure in the region 40 proliferation-proof nuclear power reactors, a high-voltage electric grid, and a fuel in/spent fuel out service – ensuring complete control over the reactors and nuclear fuel.

As the US administration now prepares for a critical meeting with President Putin, the ACU project gives President Trump and Secretary Tillerson a valuable private sector mechanism for helping stabilize and improve relations with Russia as well as helping accelerate US-Russia cooperation in the Middle East. The project provides the flexibility that Secretary Tillerson called for last week to ensure a “constructive dialogue” with Russia.

Please appreciate this is an 80+ year project which requires thinking beyond the politics and differences of the moment for the benefit of future generations of Arabs and Israelis.

As significant background information, you should know that prior to General Michael Flynn’s trip to the Middle East in June 2015, Russia had expressed interest in financing and constructing four reactors in Egypt and two in Jordan. Because General Flynn firmly believed in the necessity of the project from a US national security perspective, he traveled to Egypt and Israel to explain the ACU project’s importance.

In Egypt, a primary purpose of his meetings was to convince the government *at least to postpone accepting the Russian offer* to finance and build four reactors in order to carefully consider the ACU alternative. General Flynn recognized that the ACU project gives the United States far greater control over nuclear developments in the region while providing greater economic and regional stability – for the benefit of the Arab countries, Israel and the manifest national security and arms control interests of the United States.

I joined General Flynn in Israel. The primary purpose of the Israeli leg of the trip was to ensure that the ACU project architecture would be in the best interests of Israel. An immediate concern of ACU and Israeli experts was addressing the lack of an adequate plan by the UAE to dispose of spent fuel from its four Korean-supplied reactors – the first of which is poised to go online next year. As currently configured, the UAE nuclear program poses a significant long-term proliferation and security risk to the region. Nuclear power developments in Egypt, Jordan and elsewhere in the Middle East, without the ACU architecture, would make matters far worse.

Speaking as a life-long Democrat and someone who voted for Hillary Clinton, please appreciate that from what I observed during the trip, General Flynn always operated in the highest interest of the United States and our close ally Israel.

Let me cite some specific advantages and benefits the ACU project is designed to bring to the US and Israel:

Improving US-Russia Relations: The project provides a unique and compelling industrial basis for more closely aligning US and Russian interests, especially in the Middle East.

Containing and Countering Iran: The project accelerates a mutual defense alliance of the Gulf Arab states in cooperation with Israel, which is central to the US strategy for containing/countering Iran.

Strengthening Regional Security: The international consortium will include a high-level security package preferably supplied by Israel – including space, cyber and physical security systems – potentially investing billions of dollars in Israel over the life of the project.

Requiring Proliferation-Free Nuclear Power: The project's secure fuel in/spent fuel out service will ensure that spent fuel containing plutonium, including reactor spent fuel generated by the UAE nuclear energy program, is removed from the region – of critical importance to Israel.

Supplying Electricity to Israel, the West Bank and Gaza: Israel will receive the full energy output of two reactors in Egypt without bearing any capital costs – helping Israel meet its goal of doubling electricity production by 2030 and allowing Israel to distribute significantly more electricity to the West Bank and Gaza to improve the lives of Palestinians.

Improving Ukraine-Russia Relations: The project design includes substantial investment in three distinct Ukrainian enterprises as well as critical upgrades to Ukraine's older nuclear power reactors to facilitate Ukraine's participation in the ACU international consortium and improve Ukraine-Russia relations.

Rebuilding the US Nuclear Industry: Through constructing new energy infrastructure in the United States, the project will help revitalize the moribund US nuclear industry – generating about \$150 billion in exports over 15 to 20 years and creating more than 10,000 jobs.

Rescuing Westinghouse and US Jobs: By bringing Westinghouse into the project and completing reactors now under construction in the United States, the project can save tens of thousands of US jobs now at risk – without requiring a federal bailout or USG financial guarantees.

In sum, the ACU project protects and advances the interests of the United States, Israel and America's Arab allies in bringing much needed stability, security and economic development to the volatile Middle East region. It deserves your strong support. I hope we can work together to move this project forward.

Sincerely,

Thomas B. Cochran, Ph.D.

ACU Strategic Partners

cc: The Honorable Trey Gowdy

Chairman, Committee on Oversight and Government Reform

The Honorable Ed Royce

Chairman, Committee on Foreign Affairs