

# ROLL CALL

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## Is the United States a Global Energy Exporter?

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Just imagine that in 2020 the United States is known as a critical energy exporter, a reliable supplier of carbon-neutral electricity technologies and a corporate innovator with planned projects worldwide.



That vision may be achieved if Congress can step up its efforts to back the U.S. nuclear energy industry in the global marketplace. Worldwide, countries are recognizing the benefits of nuclear power and seeking the safest and most reliable technologies. The International Atomic Energy Agency estimates that between 47 and 50 countries are considering introducing nuclear energy for the first time and at least 12 are serious.

It is in our national security interest to ensure that those new nuclear energy programs will not contribute to global nuclear risk, whether from terrorism or by expanding the club of nations with nuclear weapons. And it is in our economic interest to support U.S. nuclear energy technologies to ensure that we spread our high standards for safety and security, improve the competitiveness of American companies, and create jobs here at home.

Fortunately, the model that meets both the national security and economic interests of the United States is sitting before Congress today. In May, President Barack Obama sent an agreement for nuclear energy cooperation with the United Arab Emirates to the Hill. Congress will begin holding hearings on Wednesday to review the merits of the deal.

Successful review of this agreement will allow American companies to compete for the UAE contracts. The agreement will also set the tone for an entirely new relationship with one of America's most important allies in the Middle East — and position the United States as a global energy exporter of clean nuclear technologies.

This change on the part of the U.S. from buyer to supplier of energy is nothing short of a paradigm shift in the American relationship with a key oil-producing country.

Despite the fact that it is a major global oil supplier, the UAE has a pressing need for new sources of electricity. Skyrocketing electricity demand is driven by expanded urbanization, industrial growth and enormous desalination requirements for drinking water. These factors heavily strain the country's power grids. Annual peak demand for electricity in the UAE will likely rise to more than 40,000 megawatts by 2020, reflecting a cumulative annual growth rate of about 9 percent since 2007.

Current generation capacity can meet only half these increased requirements. Nuclear energy makes commercial sense as a cost-effective solution, a way to diversify electricity generation and as an environmentally sensible approach, as well.

The UAE's program is expected to generate more than \$40 billion in contracts and commercial opportunities. The

American private sector can participate by providing the key nuclear energy technology, or as suppliers in the consortia competing for the business. A deal could unlock business for a range of American firms in construction, plant management, logistics, safety and transportation services for plant workers. And if previous U.S. nuclear industry sales to other countries are a guide, more than 10,000 new U.S. jobs could be created and sustained, whether directly through the nuclear energy companies such as Westinghouse or through subcontractors such as Chicago Bridge & Iron Co. and SPX Corp. in North Carolina (which makes specialized parts).

Equally important to U.S. commercial and economic self-interest is that the agreement supports a vital ally in a critical part of the world. The UAE hosts more than 2,000 American forces at the Al Dhafra Air Base and provides the largest port of call for the U.S. Navy outside of the United States. Very significantly, the UAE is the only Arab country to support U.S. and NATO troops in Afghanistan by deploying its special forces there as a “Muslim face” to coalition troops in-country. The UAE also allows the United States to station U.S. customs agents in its ports to inspect U.S.-bound cargo, tying its homeland security to America’s.

But the UAE understands that nuclear energy is not a purely commercial choice. And so the country’s leaders set out to pursue nuclear energy in a way that would be unambiguously peaceful and create a new model for safety, security and operational transparency. The first step: breaking the link between the nuclear energy fuel cycle and a potential weapons program. By committing to forego any capability for domestic enrichment and reprocessing — the U.S.-UAE nuclear energy agreement ensures that this commitment is met. It’s clear that the nuclear energy agreement between the U.S. and the UAE is peaceful by design.

In addition, the UAE is committing to the International Atomic Energy Agency’s additional protocol that provides for snap inspections and turns the agency’s staff from accountants into detectives by allowing them to monitor the program. Unique among countries in the region, the UAE is committing to all major international nonproliferation instruments, including the Nuclear Suppliers Group export guidelines and the IAEA Amendment to the Convention on Physical Protection of Nuclear Material. The emirates’ civilian nuclear energy program will provide complete operational transparency. And an independent regulatory authority and global advisory board will provide added assurance. The IAEA staunchly supports the project.

Finally, the nuclear energy agreement with the U.S. sets an important and clear alternative to the path that Iran is taking. Concerned about Iran’s ambitions in the region, the UAE is working closely with the U.S. and the international community. By pursuing this model for nuclear energy cooperation, the UAE helps the United States demonstrate that it will support responsible players in the region. The UAE fully supports U.N. resolutions barring shipment of sensitive and dual-use materials to Iran and has started shutting down suspect Iranian companies. More than 40 shipments of goods with a sensitive nature have already been blocked.

Moreover, local Emirati banks are stepping up pressure on Iranian firms by freezing their assets and refusing to deal with Iranian merchants. Reports are emerging that the country is making it harder for Iranians to obtain visas to enter the country.

The UAE has emerged as a new kind of partner and friend in the Middle East. Congress should support the U.S.-UAE peaceful nuclear energy agreement because it furthers our national security goals, promotes American business, creates jobs, and it could make the United States a global energy exporter.

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