

United States Senate

WASHINGTON, DC 20510

March 24, 2022

The Honorable Scott Nathan
Chief Executive Officer
U.S. International Development Finance Corporation
1100 New York Ave NW
Washington, D.C. 20527

Dear Mr. Nathan:

In 2018, Congress established the U.S. International Development Finance Corporation to help advance American foreign policy priorities by driving private sector investment. A steady, yearlong increase in the price of energy has made it more apparent than ever that maintaining the American energy industry's role in the global market is of paramount importance for both national security and the health of our domestic economy.

To respond, we should maximize our investments in energy production. American energy companies have world-leading expertise in all sectors, including in the most widely used sources, fossil fuels, and in the most productive emission free source, nuclear power. Fossil fuel energy produced by American companies often has a lower greenhouse gas profile than the existing or alternative sources.¹

In July 2020, DFC took the sensible step of changing its Environmental and Social Policy and Procedures (ESPP) to allow it to finance nuclear power projects, which we hope you will aggressively pursue. However, the ESPP still myopically excludes projects unless they are compatible with low carbon economic development. This counterproductive fixation on "green" energy has led DFC to shun investments in fossil fuel projects, even if they have lower net environmental impact than the non-American alternative. This short-sighted policy, similar to those of our European allies, has led to a crippling energy dependence on Russia, emboldened Putin, and prevented our allies from being able to respond forcefully to the invasion of Ukraine.

In light of the current crisis, I urge DFC to make a concerted effort to help fund investments that would allow the U.S. fossil fuel industry to deliver cheap, reliable, and environmentally responsible energy for the world, without forcing them into the arms of adversaries and into projects with far more negative environmental impact.

Sincerely,



Bill Hagerty
United States Senator

CC: The Honorable Antony J. Blinken
U.S. Department of State

The Honorable Jennifer M. Granholm
U.S. Department of Energy

¹ [https://www.energy.gov/sites/prod/files/2019/09/f66/2019 NETL LCA-GHG Report.pdf](https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf)