



## **STATEMENT FOR THE RECORD**

### **SUBMITTED TO THE HOUSE FOREIGN AFFAIRS EAST ASIA AND PACIFIC SUBCOMMITTEE BY THE NUCLEAR ENERGY AND NATIONAL SECURITY COALITION**

#### **RE: REAUTHORIZATION OF THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC) AND SUPPORT FOR NUCLEAR ENERGY EXPORTS March 11, 2025**

Chairwoman Kim, Ranking Member Bera, and Members of the Subcommittee:

The Nuclear Energy and National Security Coalition<sup>1</sup> appreciates the opportunity to submit this statement for the record regarding the reauthorization of the U.S. International Development Finance Corporation (DFC). Our coalition, composed of national security experts and energy policy leaders, advocates for restoring U.S. leadership in nuclear energy as a strategic economic and geopolitical priority.

The reauthorization of the DFC presents a critical opportunity to unlock the financing needed to support nuclear energy projects that support continued economic development that also enhances U.S. competitiveness in the global nuclear energy market, strengthens alliances, and counters China and Russia's growing influence in energy diplomacy. To achieve these objectives, Congress must ensure DFC has the tools necessary to support U.S. nuclear energy exports. We urge the inclusion of specific provisions in the reauthorization to expand DFC's financing capacity and increase its ability to support civil nuclear projects.

#### **THE NATIONAL SECURITY IMPERATIVE FOR U.S. NUCLEAR ENERGY EXPORTS**

U.S. nuclear energy exports advance national security by fostering long-term strategic alliances, ensuring high safety and nonproliferation standards, and maintaining a robust domestic industrial base that supports national laboratories and naval propulsion programs. The decline of U.S. nuclear exports over the past two decades has

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<sup>1</sup> The [Nuclear Energy and National Security Coalition](#) (NENSC) is an independent organization of leading national security experts who recognize the essential benefits of a strong national nuclear energy enterprise to the continued national security of the United States. NENSC is dedicated to expanding recognition of this interdependence among policymakers at all levels and promoting policies that ensure a robust U.S. nuclear energy enterprise.



diminished America's ability to shape global nuclear governance and has allowed authoritarian regimes to dominate the market.

Since 2000, China and Russia have built or are constructing 64 nuclear reactors abroad, while the U.S. has been involved in only five. Rosatom, the Russian state-owned nuclear enterprise, recently reported that its reactor order book has reached \$200 billion, compared to zero U.S. contracts, although hopefully Westinghouse will finalize the sale of three reactors to Poland. China has rapidly expanded its global nuclear footprint, leveraging aggressive state-backed financing to attempt to challenge Russia's dominance in exports and further displace Western influence. When the U.S. does not compete in nuclear energy markets, it cedes long-term economic and political interests to these competitors.

China and Russia's nuclear export strategies are not just commercial; they are geopolitical tools that lock countries into long-term energy dependencies. Russia's state-owned Rosatom has secured reactor deals across Eastern Europe, the Middle East, and Asia by providing below-market financing that U.S. firms cannot match without comparable government-backed financial tools. China is expanding its own state-backed nuclear projects, securing agreements that include financing, fuel supply, and operational services for decades. If the U.S. fails to counter this trend, it will continue to lose influence in key regions given that energy security is a primary driver of diplomatic alignment.

## **THE ROLE OF DFC IN COUNTERING CHINESE AND RUSSIAN DOMINANCE**

DFC is a vital tool for advancing U.S. economic and security interests. Recognizing the strategic role of nuclear power, the agency lifted its prohibition on financing nuclear projects in 2020. However, it has yet to finance a single reactor. Bureaucratic obstacles, financial constraints, and limited expertise have prevented it from effectively supporting U.S. nuclear exports.

Reauthorizing DFC with enhanced authorities will allow the agency to address these barriers and enable U.S. companies to compete in global markets. Nuclear energy projects are among the most capital-intensive infrastructure investments, requiring long-term financing structures that align with plant construction and operational lifecycles. Without government-backed financing mechanisms, private U.S. firms will be unable to offer competitive terms against state-supported Chinese and Russian projects.

## **RECOMMENDATIONS FOR STRENGTHENING DFC**

To ensure DFC can fulfill its role in advancing U.S. nuclear exports, the following legislative improvements should be included in its reauthorization:

1. **Increase Authority to Provide Equity Investments in Nuclear Projects.** Unlike state-owned enterprises in China and Russia, U.S. nuclear firms rely on private investment. However, budgetary restrictions on DFC's equity investments limit its ability to catalyze industry participation. Fixing the budgetary treatment of DFC's equity tool would provide a critical signal of U.S. government commitment and attract additional private sector capital.
2. **Double DFC's Financing Cap from \$60 Billion to \$120 Billion.** The current \$60 billion cap on DFC's overall financing portfolio constrains the agency's ability to finance nuclear energy projects that support economic development and advance America's national interests. Large-scale projects require substantial upfront investment, and without an increased cap, DFC will be unable to finance nuclear energy projects in key markets, ceding the field to our geostrategic competitors. Expanding the agency's financing capacity will ensure it can effectively compete with China's state-backed financing model.
3. **Expand the Number of Countries Eligible for Strategic Projects.** DFC's current mandate limits its ability to support projects in geostrategically significant countries. Expanded eligibility criteria would allow DFC to finance nuclear energy development in key regions, including Eastern Europe and Southeast Asia, where U.S. companies face competition from Chinese and Russian state-backed projects.
4. **Strengthen Internal Expertise and Coordination.** Financing nuclear projects requires specialized knowledge to ensure that projects are sufficiently managing and mitigating risks unique to the nuclear sector. Establishing a dedicated nuclear energy team within DFC and improving interagency coordination would enhance the agency's ability to evaluate and support nuclear energy projects effectively.
5. **Expand Public-Private Partnerships.** DFC should actively partner with U.S. industry and allied export credit agencies to develop joint financing mechanisms for nuclear projects. Leveraging public-private partnerships would enable U.S. companies to present competitive offers against state-backed Chinese and Russian financing. Initiatives such as co-investment funds and syndicated lending structures would provide U.S. nuclear projects with stronger financial backing.

Reauthorizing DFC with expanded authorities is a critical step to reasserting U.S. leadership in nuclear energy exports and countering China and Russia's growing



dominance in the global energy market. Without action, the U.S. will lose influence in key strategic regions, undermining both economic and national security objectives.

The proposed reforms will allow DFC to provide the necessary financial tools for U.S. companies to compete in global nuclear markets, ensuring that future nuclear power projects are built under U.S. safety, nonproliferation, and governance standards rather than those of authoritarian regimes. Congress must seize this opportunity to modernize DFC and equip it with the resources needed to support American leadership in nuclear energy.

The Nuclear Energy and National Security Coalition urges the Committee to include these provisions in the DFC reauthorization to ensure the agency can fully execute its mission.

**Submitted respectfully,**

**The Nuclear Energy and National Security Coalition**

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