

January 23, 2012

United States House and Senate Energy Committees

Our firm just published a study on new breakthroughs in nuclear power technology. Titled *Emerging Nuclear Innovations* and available at our website, the report is the result of six months of international research.

Our findings are not encouraging for America's scientific or commercial nuclear industry leadership.

The world is not abandoning nuclear energy because of the Fukushima Daiichi incident in Japan. Most worldwide nuclear authorities we consulted for our study still project net growth in nuclear power. But the Japanese plant failures underscored the need for new, safer types of nuclear power that have been quietly in gestation for years. For instance, plants that don't rely on uranium, and/or that are much smaller in scale, or that don't produce weaponizable byproducts. Or that are capable of consuming today's vast stores of plutonium waste. Or that are based on reactions that can't possibly melt down or explode in the face of natural disasters or terrorist attack.

The new nuclear technologies examined in our report are not the ones the world has come to know and fear. Some of these technologies are even being developed by American companies. But none stand the chance of being trialed or adopted in the U.S. given the country's current regulatory regime.

In contrast, China is rapidly expanding its nuclear posture, and is emerging as a test bed for these new progressive, safe technologies. As detailed in our report, China has capitalized on Western failures and continues to expand its prospects as the global commercial developer of nuclear energy. It has succeeded in positioning itself to negotiate multi billion dollar deals with western allies such as Saudi Arabia and non-allied nations. It is now promoting thorium-based systems, originally developed in the U.S., that offer the promise of operational safety, proliferation security and near zero nuclear waste.

Unless the U.S. quickly changes its posture, China will be well positioned to dominate the global market for nuclear energy systems and enjoy greatly enhanced geopolitical influence.

I encourage Congress to consider the long-term impact this shift in power would result in and invite you to take actions to reverse this trend. I would be happy to make specific recommendations.



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