

Amos J Hochstein

Senior Consultant

Amos Hochstein brings international political and government relations expertise to Cassidy & Associates. He is known for successfully representing foreign and domestic clients on a wide variety of issues ranging from technology and telecommunications to defense and aerospace. Mr. Hochstein uses his international experience and knowledge of federal government operations to build coalitions within Congress to ensure passage or defeat of legislation that affects clients. He also represents foreign governments on bilateral relations with the U.S. in general and during their trade negotiations in particular.



Mr. Hochstein has experience with advising U.S. and foreign companies through the Mergers & Acquisitions regulatory process. He has also worked to obtain World Bank approval for major infrastructure projects on behalf of stakeholder companies and governments. Mr. Hochstein focuses primarily on the Middle East, Asia, Africa, Russia, CIS, and EU institutions.

His expertise stems from years spent working on international policy issues on Capitol Hill. Immediately prior to coming on at Cassidy & Associates, Mr. Hochstein served as the Senior Policy Advisor to the U.S. House of Representatives Committee on International Relations, where he directed the overall Democratic foreign policy agenda and served as an advisor to all 23 Democratic Members of the Committee. He had specific responsibility over international economic policy, export controls on high technology, and Middle East policy. Prior to his work on the Committee, Mr. Hochstein was a member of the professional staff for the House Subcommittee on International Economic Policy and Trade where he worked on international trade agreements, privacy issues, and trade and export promotion. Between his time spent working for the Committee and his tenure on the Subcommittee, Mr. Hochstein represented the United States Congress to multi-lateral organizations and foreign governments in over 50 countries. Earlier in his career, he served as a Legislative Assistant to Representative Sam Gejdenson (D-CT), worked at Bankers Trust, Inc. (now part of Deutsche Bank), and was a consultant at Lapidot PR.

Fax Message

Date: June, 20, 2007

No. 051-65/

To:	Cassidy&Associates	From:	Uranium Products Directorate
Attn.:	Executive Vice President Hochstein, Amos J.	Tel:	7 (495) 239-2546
Fax:	202-585-2907	Prepared by:	Ms. Irina V. Starikova, Project Administrator
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Copy to:	Campbell, William D.	Tel:	
Fax:	352-373-8800	Fax:	
E-mail:	sigmatrnsntl@aol.com		
RE:		Number of pages incl. this page: 2	
Subject:	Requirement Specification as per the Memo of May 21, 2007		

Dear Mr. Hochstein,

Please, find attached the Specification Requirement, which outlines the scope of work to be exercised by Cassidy&Associates (C&A) as the focus of C&A lobbying activity as well as the basic ground for the presentation to be prepared by C&A for Mr. Smirnov.

TENEX General Director plans to attend the NEI conference, scheduled for July 24, 2007 in Washington, D.C. The preliminary date for presentation is July 25, 2007.

We will be only obliged if you provide us with feedback ASAP which will contain info on the details, i.e. location of your presentation (FYI Mr. Smirnov plans to stay in Willard Intercontinental Hotel), duration of the presentation, participants on C&A side (FYI there will be 7 from Tenex), short biography essays of C&A key personnel, any other info which may be of interest.

Please, also advise us on your preparedness for the presentation not later than July 02, 2007. And one thing more, if there is something you can accomplish lobbyingwise on the eve of General Director Smirnov's visit, it will be an extra point to take a final decision on hiring C&A.

Faithfully yours,

First Deputy

General Director



Alexey A. Grigoryev

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Dr. Vladimir Smirnov
Director General
Joint Stock Company Techsnabexport
26, Staromonetnyi per.
119180, Moscow, Russia

August 1, 2007

Dear Dr. Vladimir Smirnov,

I want to thank you for making time in your very busy schedule to visit Washington, D.C. and our offices at Cassidy & Associates. I sincerely appreciate the opportunity for my team and me to speak with you and your team. I believe that the exchange greatly improved our understanding of your goals and concerns and will make our efforts on your behalf more successful and effective.

We were pleased at your indication to establish a formal working relationship with our firm. Additionally, should ROSATOM determine that they too are interested in working with us, we are willing and able to offer our services on their behalf as well. We look forward to initiating the formal relationship with TENEX at the earliest date possible so that TENEX can benefit from our efforts sooner rather than later. We are ready to begin our formal work on your behalf as soon as we receive instruction from you.

Finally, I want to assure you that our goals are your goals. We will always take our direction directly from TENEX (or ROSATOM if appropriate) and will not seek results that have not been explicitly requested by yourself or another person in leadership at TENEX. Our primary objective is to respond accurately, promptly, and efficiently to your directives.

We look forward to working further with you and with TENEX.

Sincerely,



Amos Hochstein



CASSIDY & ASSOCIATES

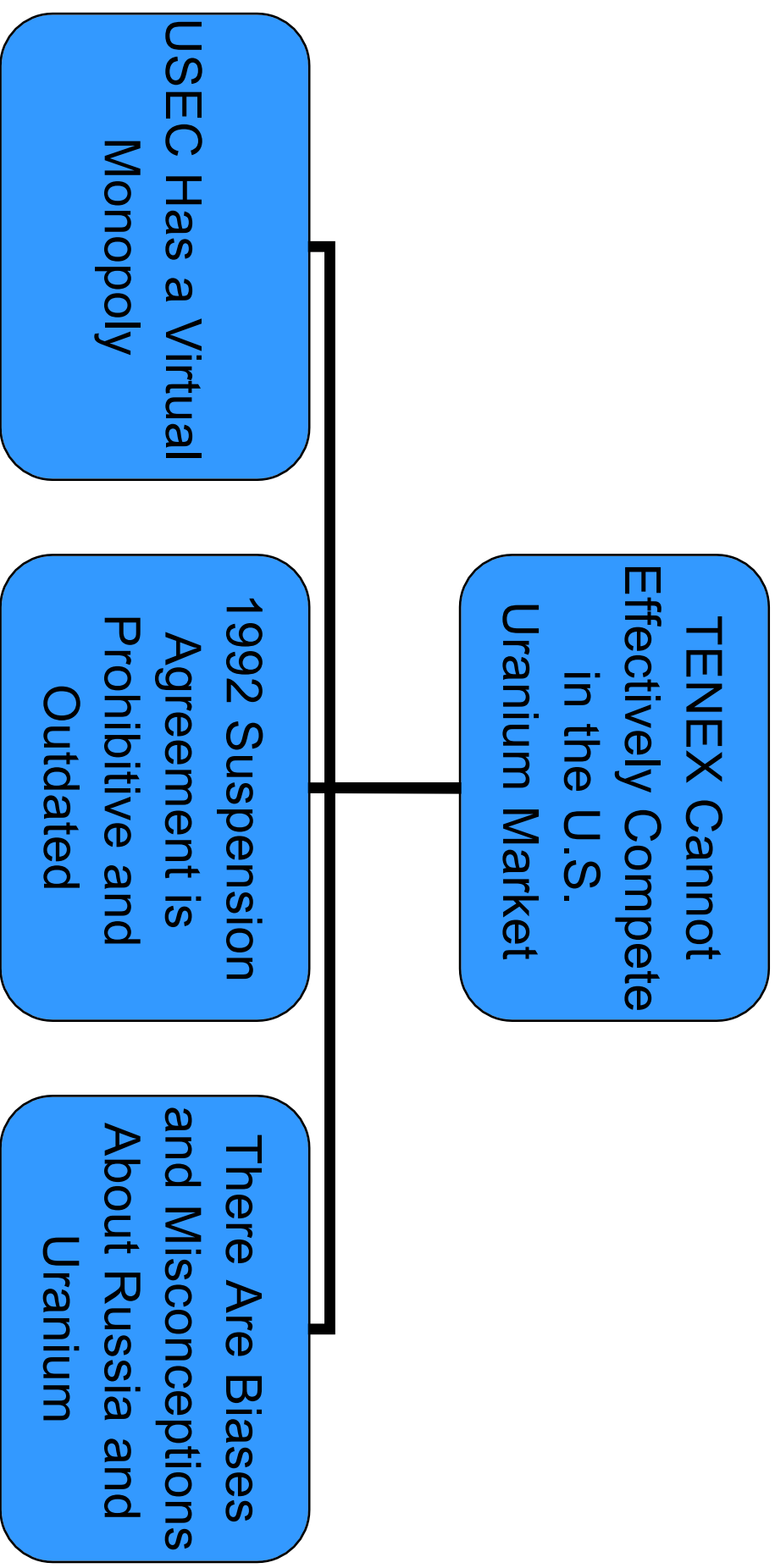
A Nuclear Renaissance for Today

July 25, 2007

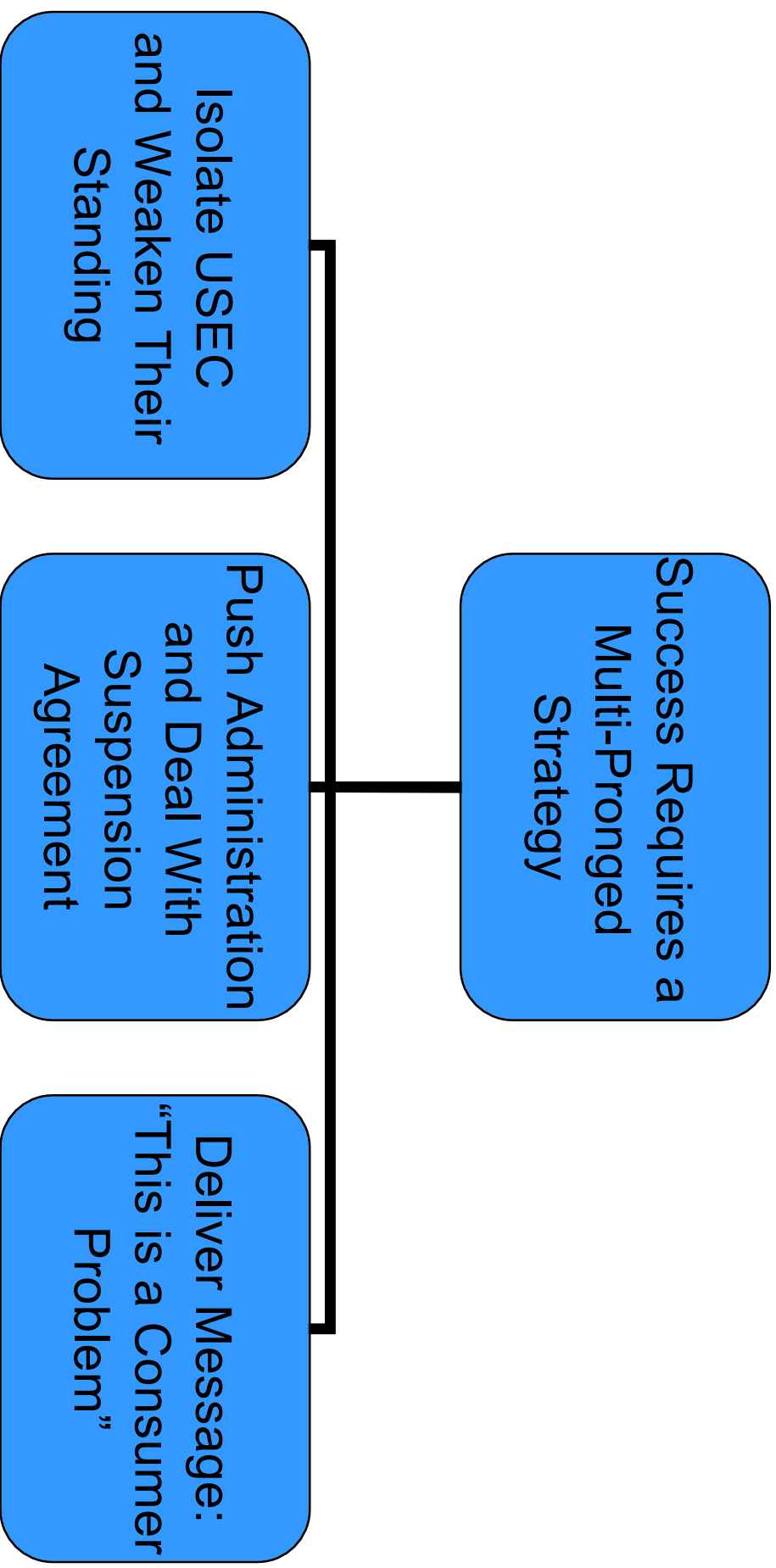
Who We Are

- Since 1975, Cassidy & Associates has provided **aggressive, proactive government relations services** to a broad and diverse base of clients including **foreign governments** and corporate entities.
- Cassidy & Associates has over 40 bipartisan lobbyists who **have served at the highest levels in the White House** and include former Members of Congress and flag-ranked military officers; **written legislation** as congressional staffers; overseen federal agencies; **established regulatory policies**; and held elected offices at the local, state and federal levels.
- Together we develop strategies and plans of action tailored to the unique requirements and goals of each client.

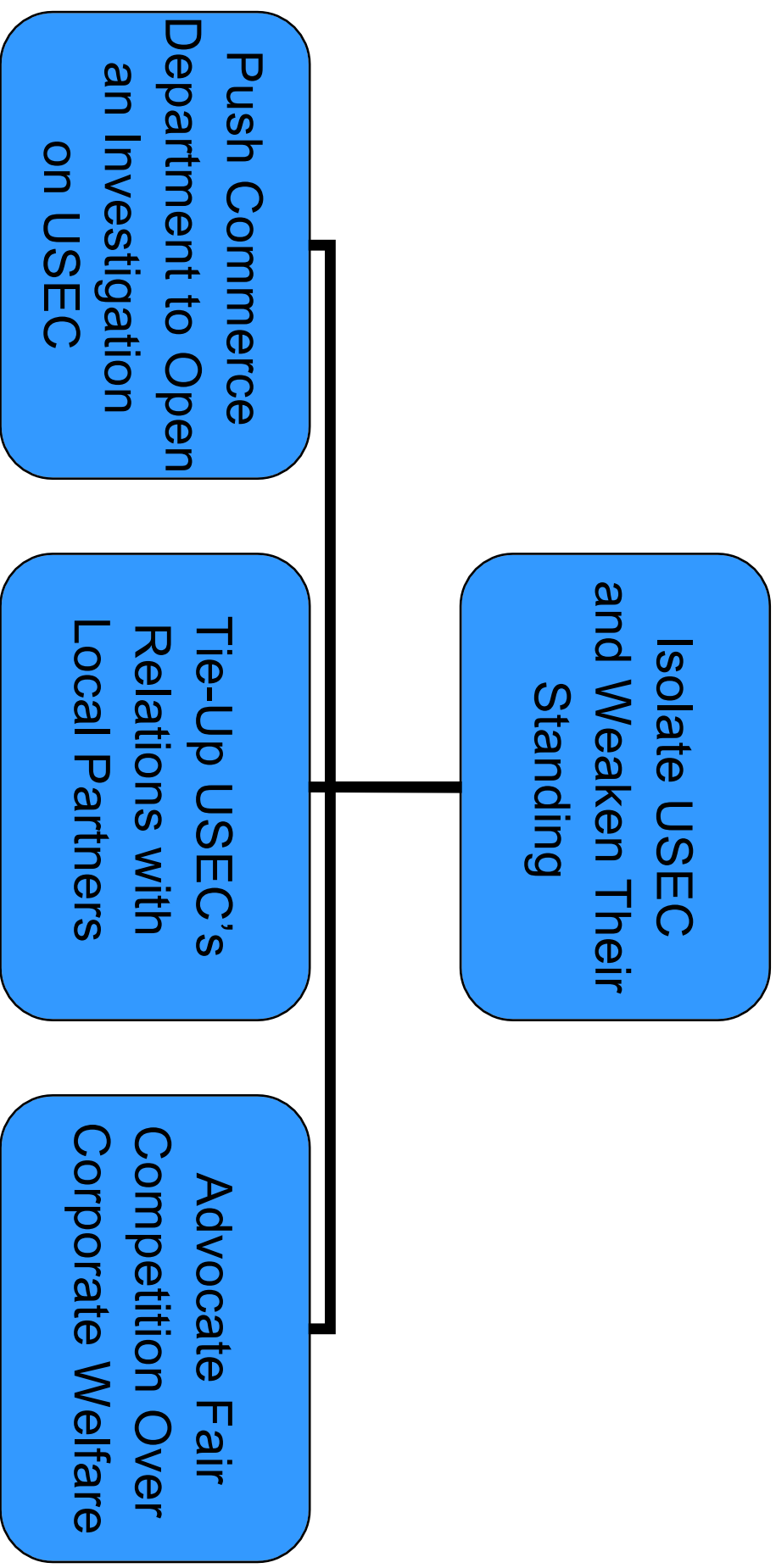
The TENEX Problem



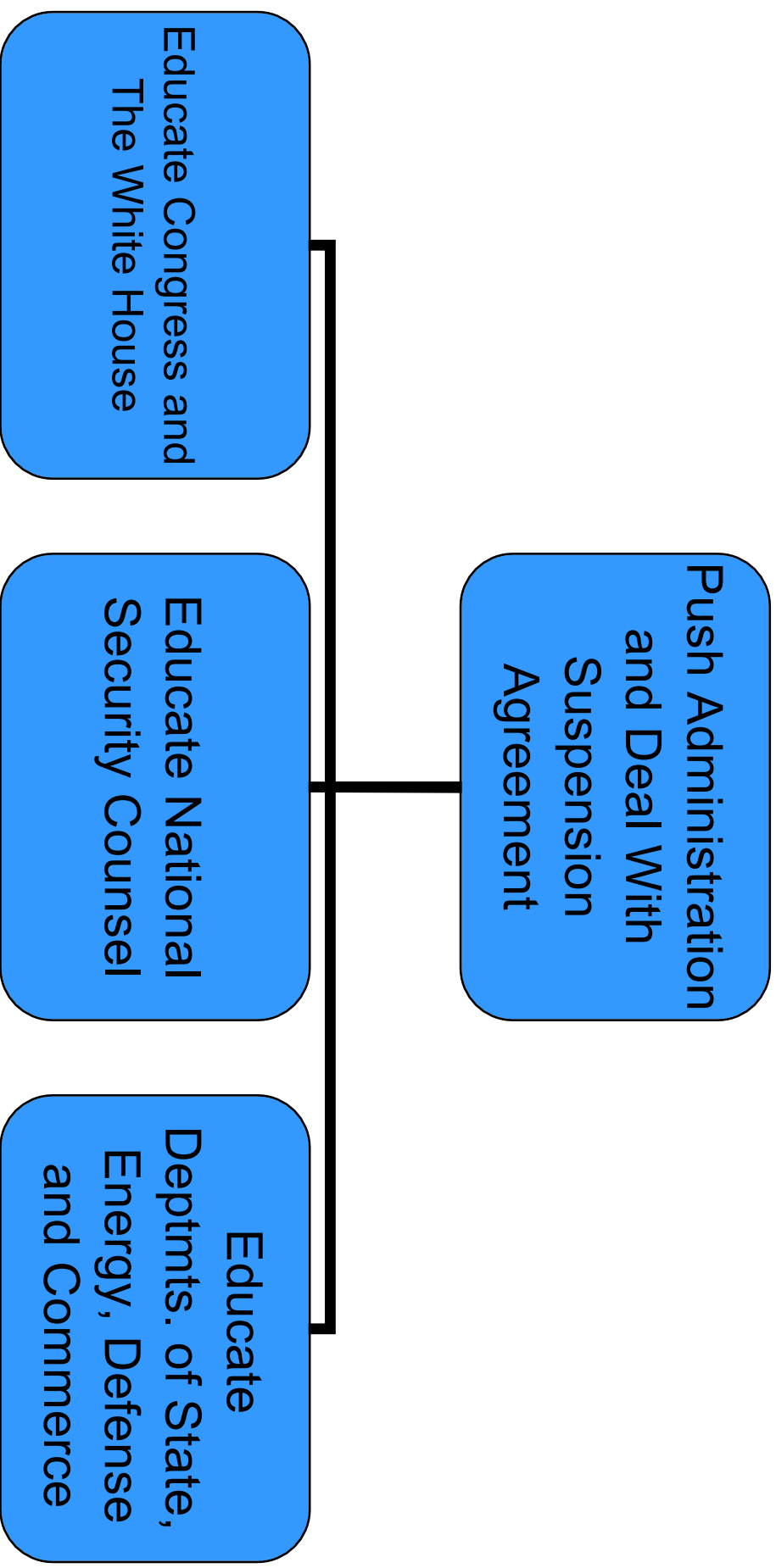
Cassidy & Associates Has a Solution and Means for Effective Implementation



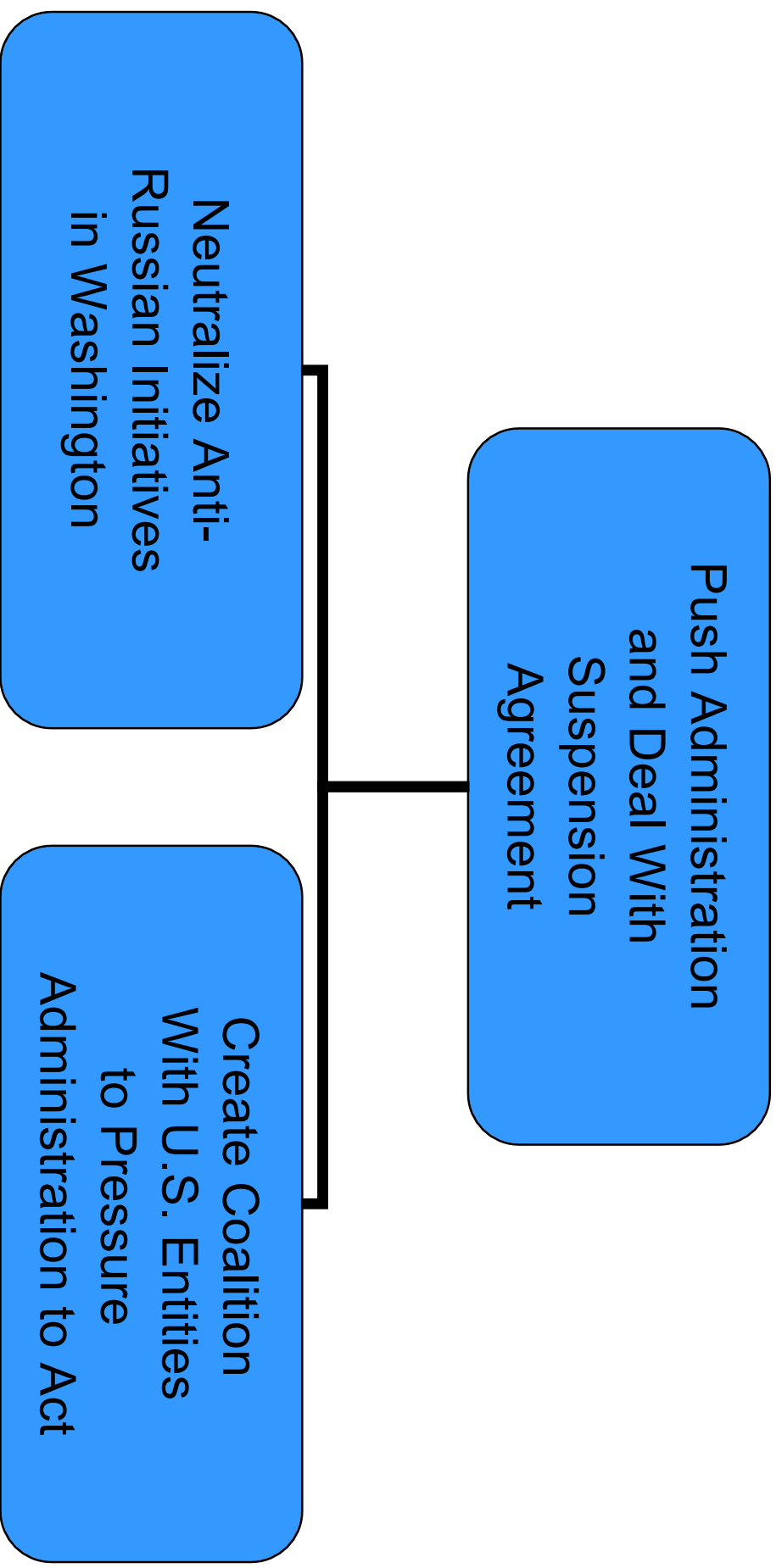
Solution – First Prong



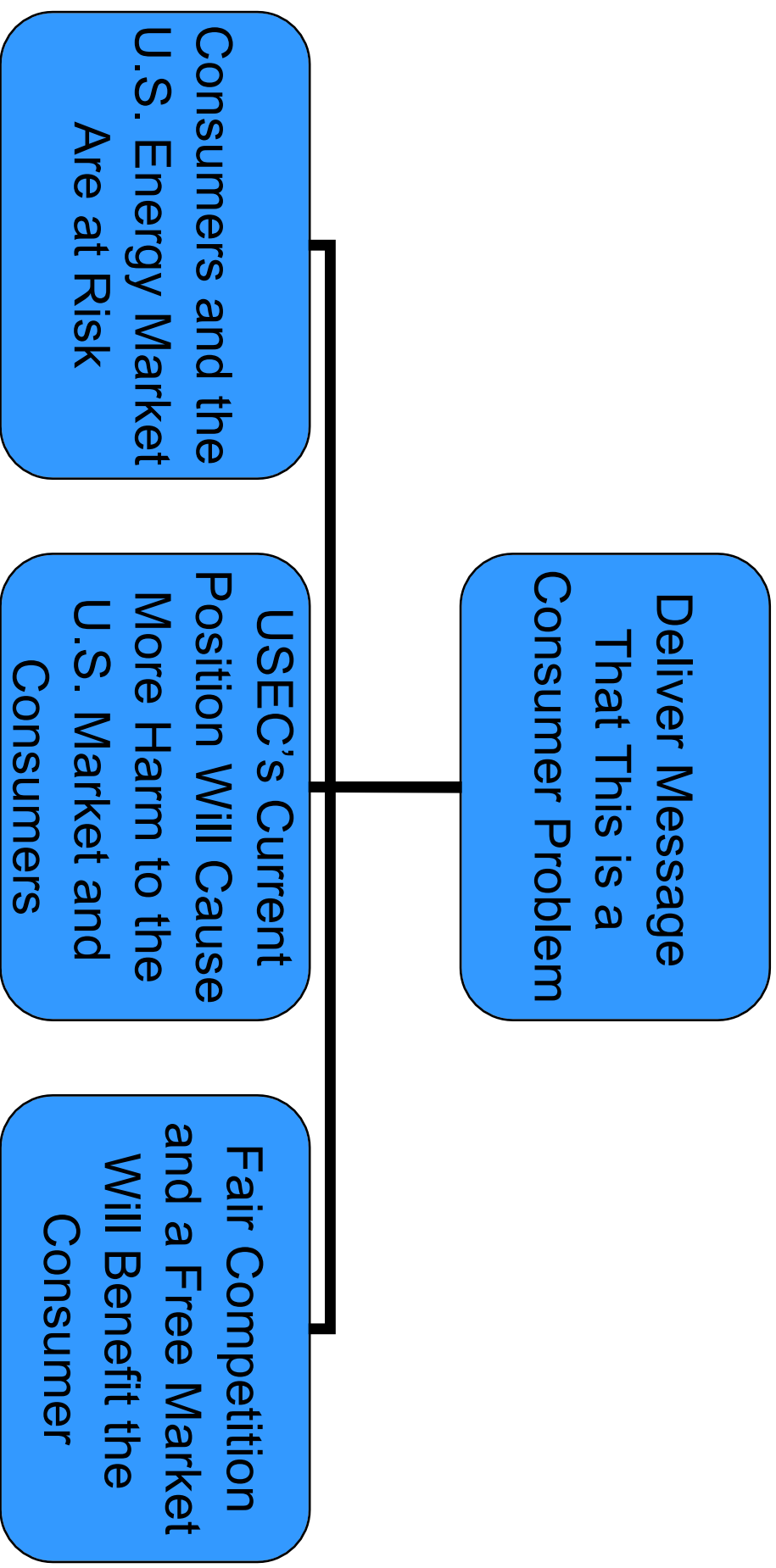
Solution – Second Prong



Solution – Second Prong (continued)



Solution – Third Prong



What Cassidy & Associates Will do for TENEX

- Serve as TENEX's eyes, ears, voice, arms and legs in the U.S.
- Monitor events, identify problems and opportunities and implement appropriate responses and action plans
- Provide TENEX with regular, timely, thorough and detailed reports
- Cassidy & Associates will be TENEX's partner in this campaign for success

Detailed Strategy

- Educate key people in the White House, Administration, Congress, National Security Counsel and the Departments of Commerce, Energy, Defense and State, as well as the media, **many of whom know nothing or have the wrong information**
- Explain the supply problems impacting introduction of Russian uranium products into the U.S. market, especially as related to national security issues for the U.S.
- Work to isolate and weaken USEC
- **Neutralize the anti-Russian initiatives** of USEC & others in Washington.
- Arrange meetings with key U.S. officials who have influence on the process during Mr. Kiriyenko's upcoming visit to the U.S
- **Work to gain the cooperation and support of the U.S. and foreign utilities, key political figures, the consumers and the media**
- Prepare the environment to take full advantage of a possible decision by the Russian Federation to unilaterally terminate the Suspension Agreement

Expected Strategy Results

- Improve foreign and defense policies in a manner favorable to TENEX
- Strengthen U.S.-Russian bilateral relations
- Promote free trade
- Increase support for clean and efficient energy
- Shift focus to cost reduction for consumers
- Build a coalition with corporate America showing that this is NOT a U.S.-Russia issue

Challenges

- Dennis Spurgeon, Executive VP and COO of USEC was appointed Assistant Secretary of Nuclear Energy at DOE in April.
- USEC is fighting hard on Capitol Hill.
- USEC continues to aggressively lobby to acquire 1 billion USD worth of new uranium supplies from existing waste stockpiles at the Paducah, Portsmouth and Oak Ridge Facilities free of charge from DOE.
- The uranium tails can be re-run through the enrichment process to extract valuable U-238.
- There are currently more than 100,000 cylinders combined at these locations which would provide a significant amount of uranium to flood the domestic market at a low cost to USEC.

Challenges (continued)

- We have stymied USEC's lobbying efforts thus far, but it is becoming increasingly difficult - we must implement a more aggressive strategy.
- USEC is aggressively urging Nuclear Energy Institute member companies to take stronger steps to protect the domestic enrichment capabilities of the United States.
- USEC is lobbying congressional offices to persuade them to lean on local utilities to endorse a scheme to provide DOE surplus SWU to USEC to sell on the market.
- USEC continues to push for legislative language favorable to them to be included in the Defense Appropriations bill.
- Some members of Congress are pressuring DOC and other federal agencies to increase USEC's role in supplying enriched uranium to U.S. utilities'
- The Senate Finance Committee may hold hearings on the issue in the coming months.

Opportunities

- This is a good time to use our relationships to turn the tables on USEC and provoke pointed questions regarding their financial status.
- USEC is searching for partners to build its new centrifuge, but time is running out for them.
- With our legislative prowess and efforts in the media, we could solicit a number of comments from Wall Street and Capitol Hill that could serve a serious and crippling blow to USEC at which point TENEX would need to swiftly and effectively move in and fill the void.
- While many American utilities enjoy the low cost of Russian SWU they remain skeptical of their operations. We can utilize our relationships with AHUG member companies and NEI to significantly alleviate such fears.
- With our extensive contacts and relationships on both sides of the political aisle, we can begin the process of building a mutually beneficial relationship.
- We have the experience and ability to successfully develop and articulate Tenex's message.

Action Plans

- Shift focus to the consumer
 - Address Suspension Agreement
 - Isolate USEC
 - Create industry coalition and address issue of U.S.-Russia relations
 - Educate Leadership including White House, Congress, Administration, key agencies and NSC
 - Utilize the media
 - Work with additional partners including think tanks, NGOs, free trade groups, public interest coalitions and respected policy makers

Shift Focus to the Consumer

- Make clear this is a consumer issue
 - The goal is lower energy bills
 - Expose and eliminate corporate welfare because it harms consumers and the taxpayers
- Every aspect of our strategy and action plans will be based on this concept

Suspension Agreement

- The 1992 Suspension Agreement must be amended to reflect the 21st century.
 - In 1992 there were no license applications at the NRC.
 - Today the environment is significantly different.
 - 25 license applications are on file at NRC.
 - Nuclear fuel spot market is extremely tight.
 - Utilities are buying and signing contracts for fuel into 2016.
 - China, India and South Africa are proposing new plants that will tighten the global nuclear fuel market.

USEEC

- **Isolate USEEC**
 - Reach a compromise agreement with the SWU producers
 - LES (URENCO), natural uranium (CAMECO), power resources (USA) and conversion (ConverDyn)
- **Shift focus to the consumer**
 - This is not a U.S.-Russia issue.
 - This is about bringing the best products and prices to the consumer.
 - This is about free trade and a fair market.
 - This is about the inherent unfairness and injustice of corporate welfare.

Industry Coalition

- Coordinate with AHUG utility executives to show that USEC's current position is a problem.
 - Utilize quarterly financial reports to indicate the extent of the problem.
- Help Wall Street's largest firms, which are involved in financing the next fleet of nuclear generation, understand that the USEC problem could prevent them from moving forward as planned.
- Create an environment that encourages Wall Street to demand that Washington fix the USEC problem.
 - USEC will be too preoccupied to be aggressive in D.C.

Industry Coalition (continued)

- Coordinate with AHUG members and other U.S. and foreign energy companies to strengthen support for Russian uranium products in the U.S. market including contract approval by the DOC
 - **“Americanize” the effort by working with U.S. energy companies through AHUG (specifically Duke and Southern Company) and with AREVA**
 - Expand the coalition’s grassroots and lobbying efforts
 - Coordinate the coalition’s lobbying efforts by having bi-monthly coalition meetings where TENEX’s views are given top priority
 - Take steps to effectively carry our message to the Hill
 - Undertake an ongoing educational effort to inform key policy makers of the need to amend the Suspension Agreement
 - Make this a global effort, as appropriate, by working with Foreign enrichers (i.e. URENCO and COGEMA)
 - Take advantage of the fact that several U.S. companies oppose USEC’s actions and believe the current arrangement is unfair

Industry Coalition (continued)

- These companies believe that changing the current agreement with USEC will establish world market prices.
- General Electric recently did an analysis of USEC's new American Centrifuge Project and deemed it "junk."
- These facts and activities will help create a broad base of political and governmental support for TENEX's position, taking the focus away from Russia.
- **Therefore, we must create a coalition of TENEX plus at least 5 U.S. companies, with each company working on its own interests but also on the common interests of the coalition.**
- All the companies we have targeted have representation in Washington, **many of whom we already know.**
- Once a coalition is formed, we will brief Congressional Leadership to promote awareness of the coalition and reasons for its existence - TENEX re-entry into U.S. market.
- Then we will incorporate the Think Tank and NGO communities into the strategy.

Educate Leadership - Congress, White House, Administration, Key Agencies and NSC

- Educate leadership on the impacts of the USEC monopoly
 - Gather intelligence and lay the base
 - Use earned media
 - Use on-line grassroots
 - Engage policy makers
 - Grow the vote
- Emphasize to U.S. leadership, working with them as a whole and individually
 - Fair trade issues
 - TENEX participation in the U.S. free market for energy sources that will favor the consumer
 - Benefit to U.S. companies
- Deflect focus from Russia vs. U.S. or TENEX vs. U.S.
- Redirect focus to U.S. energy companies and TENEX vs. USEC's current agreement
- Conduct briefings with leadership with TENEX officials or separately (per TENEX's preference)
- Schedule meetings in coordination with TENEX officials
 - Some meetings will be official, others will be unofficial and more social in nature to protect individuals who prefer to remain anonymous
- Approach both Democrats and Republicans
 - Foreign policy issues do not tend to be partisan
 - Nuclear power tends to be regional or geographical rather than ideological
 - **This is a consumer pricing issue and both Ds and Rs like to say they are doing everything to make sure constituents do not pay higher energy bills than necessary**
- Assist Russian parties in preparation of communication directly to U.S. Leadership including the Secretary of State
- Encourage correspondence to individuals who have direct access to the White House

Leadership to Target – White House, Congress, Administration, Key Agencies and NSC

- Governor **Bill Richardson**, former Secretary of Energy, former U.N. Ambassador and current Governor of New Mexico and candidate for 2008 U.S. Presidential election
- Chairman John Dingell (D-MI), House Energy and Commerce Committee
- Ranking Member Joe Barton (R-TX), House Energy and Commerce Committee
- Chairman Tom Lantos (D-CA), House Foreign Affairs Committee
- Ranking Member **Ileana Ros-Lehtinen** (R-FL), House Foreign Affairs Committee
- Chairman Jeff Bingaman (D-NM), Senate Energy and Natural Resources Committee
- Ranking Member Pete Domenici (R-NM), Senate Energy and Natural Resources Committee
- Chairman **Joseph Biden** (D-DE), Senate Foreign Relations Committee
- Ranking Member Richard Lugar (R-IN), Senate Foreign Relations Committee
- The Honorable Samuel Bodman, Secretary of Energy;
- The Honorable Clay Sell, Deputy Secretary of Energy;
- The Honorable **Carlos Gutierrez**, Secretary of Commerce;
- The Honorable David Sampson, Deputy Secretary of Commerce;
- Ambassador Frank Lavín, Under Secretary of Commerce for International Trade;
- David Spooner, Assistant Secretary for Import Administration, U.S. Department of Commerce
- Joseph Spetrini, Deputy Assistant Secretary for Antidumping and Countervailing Duty Policy and Negotiations, Department of Commerce
- Allan Hubbard, Assistant to the President for Economic Policy and Director of the National Economic Council, the White House
- Lisa Epifani, Special Assistant to the President for Economic Policy on the National Economic Council, the White House and intended nominee for Assistant Secretary of Energy
- Others, as identified and directed

Administration

- State Department
 - Department of State is negotiating a nuclear exchange program with India
 - Create a State Depart vs. NSC atmosphere on the Enriched Uranium issue
- White House/Administration (DOC, DOE, etc.)
 - This is the most pro-nuclear Administration in years
 - Unfortunately their defense of USEC could derail their agenda
 - USEC was saved in 2000 because of presidential elections, but does not have this advantage in 2007
 - USEC's financial crisis must be addressed by the Administration
 - We can work with key agencies to spur an investigative review of USEC's financing

Administration (continued)

- Isolate Department of Commerce by pointing out:
 - Nuclear regulatory commission doubling its staff in anticipation of approving new plants
 - DOE loan guarantee program providing billions to build a new nuclear power plant
 - 30 year DOE global nuclear energy partnership to provide for a sustained nuclear economy for the next generation
 - Department of Treasury approving tax measures to provide incentives to build new plants
 - DOC is limiting the import of fuel needed to meet U.S.'s future nuclear needs
 - Nuclear is so appealing to the utilities because the fuel is cost effective
 - If Commerce wins, nuclear fuel will not be cost effective in the future
 - **Joseph Spetrini, Deputy Assistant Secretary for Antidumping and Countervailing Duty Policy and Negotiations, Department of Commerce has repeatedly sided with USEC - Spetrini is a career bureaucrat who has resisted political overture.**
 - AHUG has had positive meetings with Undersecretary for International Trade Franklin Lavin and Deputy Under Secretary Michele O'Neill. Lavin, O'Neill and Spetrini all report to Assistant Secretary for Import Administration, David Spooner. We will triangulate O'Neill, Lavin and Spooner to isolate Spetrini.
- Triangulation should occur with input from Capitol Hill, through hearings and meetings with Congressional supporters. It will be a first attempt to bring full political pressure against the Assistant Secretary.
- Continued Triangulation efforts should be brought by other Cabinet officials and peers from
 - Deputy Secretary of Energy Clay Sell
 - Deputy Secretary of State, Ambassador John D. Negroponte
 - National Nuclear Security Administrator, William C. Ostendorf
 - Office of Management and Budget – Energy, Science and Water Division
- Leverage Court of International Trade ruling on SWU imports to demonstrate that the government is inclined to allow more nuclear fuel into the U.S.

Congress

- Congressmen will be asked to send letters to the White House and Secretary of Commerce asking why this suspension has gone on for so long, prompting action for dismissal or re-negotiation, asking why low level individual, Deputy Assistant Secretary, has been given free reign to act and influence an issue this important to U.S. - Russia relations
- The DAS will not respond. The foreign Relations Committee will then send a letter to NSC asking why we are not letting Russian companies into this market
- Encourage Congressional oversight and hearings by relevant committees on existing policy and benefits of change.
- **It has been more than 10 years since USEC was privatized and there has never been a hearing on its implementation. Questions to raise in the hearing include:**
 - **Push for accountability on what happened to AVLIS – U.S. spent \$1 billion and within 6 months of privatization, USEC terminated the project**
 - **What has USEC done with the billions in enriched Uranium provided by the U.S. prior to privatization?**
 - **Why has it taken more than 10 years to begin deploying 1970s enriched uranium technology?**
 - **What is the production capacity of their plant vs. the future demand of American utilities?**
 - **How much uranium do they actually buy to support the uranium mining industry in the U.S.?**
 - **What is the financial windfall they have received by being the sole executive agent to the HEU deal?**
 - **Why did they originally plan to close the Ohio plant, then reverse decision and now close Paducah?**
- Above questions will divide USEC's support on the Hill, isolating them and making them defeatable.

Utilize Media

- Focus on specific states
- Publish support in local media
- Regional ad campaigns
- Develop ad campaign messages that will be used in all external information materials
- Utilize national television media
- Research, draft and distribute fact sheets and other print and information materials to U.S. political, business, think tank and media audiences
- Draft and distribute communications to media organizations, and advise on media interviews;
- Conduct media training for TENEX spokespersons;
- Facilitate communication with leading U.S. industry groups, think tanks and foreign policy organizations in the United States;

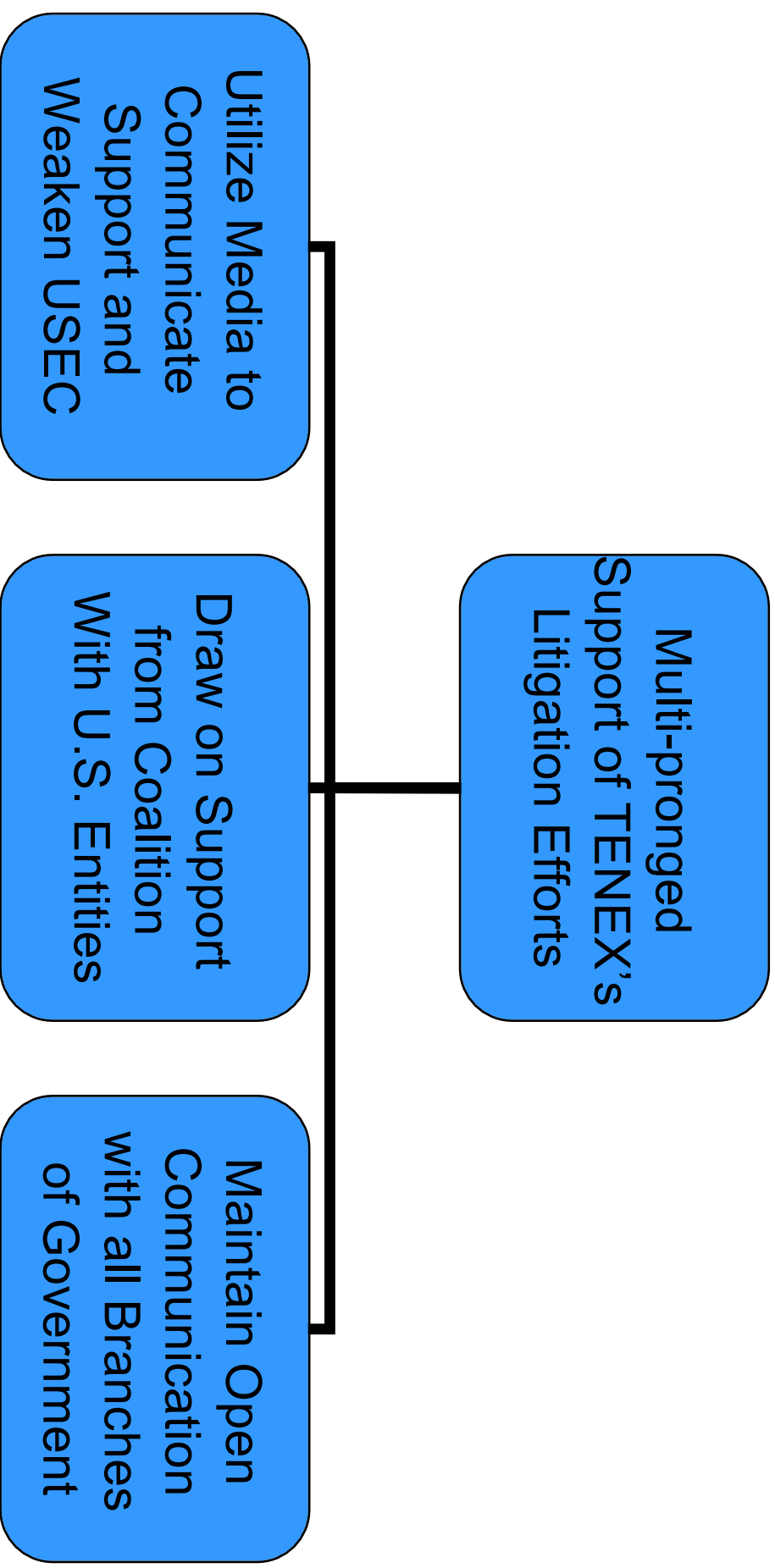
Utilize Media (continued)

- Conduct research from public sources on issues of importance to TENEX;
- Create and place paid media advertisements in U.S. media;
- Provide strategic guidance in support of government relations activities in Washington;
- Draft remarks and talking points for meetings by TENEX representatives during visits to the United States; and,
- Identify potential third-party allies, and independent individuals and organizations that may be supportive of TENEX interests in the United States
- Initiate round table discussions on U.S. energy
 - Ensure that at least one high profile panelist is an individual with a recognized background as a commentator on Russian affairs
- Monitor daily media coverage of issues of interest to TENEX in the U.S with recommendations for how to respond to inaccurate or unfair coverage

Additional Partners

- Identify, build and work with additional partners
 - Think Tanks, NGOs, Free Trade Groups, public interest coalitions and respected policy makers to promote energy and open market competition
 - **Think Tanks include American Enterprise Institute (AEI), Brookings Institute, Heritage Foundation and the Center for Strategic International Studies (CSIS)**
 - U.S. Russia experts and politicians write about and support the benefits of Tenex's re-entry
 - Communications must be considered neutral and at the same time demonstrate understanding of the effects of Tenex re-entry into the U.S. nuclear fuel market

Alternate Outcome: Refusal to Sign the Amendment



Utilize Media to Communicate Support and Weaken USSEC

- Communicate through earned media and opinion pieces– Judges read the news too
- Penetrate journals, newspapers, television media in the state and jurisdiction of the trial
- Put pressure on court to rule in favor of TENEX by creating an image of broad public support of TENEX's position
- Advertise the Court of International Trade's ruling in the Eurodif case as a precedent for support of SWU
- Push for the CIT's decision to be expanded to include Russian SWU

Draw on Support from Coalition With U.S. Entities

- Keep AHUG and allies informed of status of litigation at all times
- Coordinate action from AHUG and allies in support of TENEX
- Facilitate TENEX partnership with General Electric and other U.S. businesses as strategic partners

Maintain Open Communication with all Branches of U.S. Government

- Use litigation as a tool to further isolate the Department of Commerce
- Make sure Congress, Administration, State Department, Department of Energy, and the National Security Council are well informed of the Department of Commerce's non-cooperation
- Make DOC responsible for its failure to sign the amendment
- Initiate Congressional hearings on the impact of the Department of Commerce's non-cooperation on U.S. Energy Supply
- Develop legal initiatives supported by the U.S. Government to resolve the problem of access of imported uranium products in the context of US national security

Timeline

- We estimate that this project will take **five** years.
- For a successful outcome, all of the methods and approaches above must be conducted simultaneously and on a flexible schedule.
- We cannot proceed at a pre-set pace, but rather must constantly adjust our plans, timelines, and pace in response to the ever changing political, business, and economic environment.
- The plan must evolve as we progress based on responses and outcomes in various areas.

Summary

- There is a narrow window of opportunity to reverse the negative trends.
- We have experience in handling matters like this and a track record of success.
- In particular, the team we have assembled for TENEX has significant experience with the varied issues facing TENEX as well as experience with Russia.
- We are uniquely positioned to execute a multi-pronged approach targeting the U.S. Government, the media, NGOs and think tanks.
- We will orchestrate and execute a plan where USEC's abilities are questioned by their advocates and by those they rely upon.
- A thorough review by the appropriate investigative Congressional committees and agencies will divide USEC's supporters and leave them with limited assets and a restricted ability to fight on the Hill.
- However, in order to succeed, we must set our plans into action without delay.
- USEC is not wasting time and we have to stop them.
- Congress will be going out on summer vacation soon which places additional limits on our time making things more difficult for TENEX.

Conclusion

- We are eager to work with TENEX and committed to providing you with positive results.
- It is time to end corporate welfare for USEC. Russian entry into the U.S. market is fair and reasonable. An open and equitable market will benefit the American consumer.
- In meeting with officials to date, it is clear we are dealing with more than a trade issue – this is a bilateral issue.
- We can make a difference and prevent the past errors and broken promises by leadership from happening again.
- We are here to make certain that nothing slips through the cracks.
- We will provide the dedication and follow-through that TENEX needs to succeed in the U.S.