Ms. Susan Beard
Designated Agency Ethics Official
U.S. Department of Energy
1000 Independence, Ave., SW
Washington, DC 20585

Dear Ms. Beard:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Deputy Secretary of Energy.

As required by the United States Senate Committee on Energy and Natural Resources Recusal Policy dated May 6, 1993, and 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest or in which I know that a person whose interests are imputed to me has a financial interest, if the particular matter has a direct and predictable effect on that interest, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I will divest my financial interest in Bandwave, LLC, within 90 days of my confirmation. Until I have completed this divestiture, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interest of Bandwave, LLC, until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

I will request a written waiver under 18 U.S.C. § 208(b)(1) regarding my financial interest in the Hogan & Hartson Partners Investment Fund. Until I have obtained such a waiver, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the final interests of this entity.

Upon confirmation, I will resign from The Scowcroft Group. I currently have an ownership interest with this entity, and I will receive a redemption payment of that interest before I assume the duties of the position of Deputy Secretary. I will also receive a bonus for the work I performed during fiscal year 2009, as is the Scowcroft Group's practice for departing members. An objective formula will be used to calculate this bonus. The Scowcroft Group will pay me a pro rata share of my bonus that covers only that portion of fiscal year 2009 which is prior to my resignation. This payment will be based solely on the firm's earnings through the date of my resignation. Until I have received such payment, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of the Scowcroft Group to make this payment to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which The Scowcroft Group is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). In addition, I will not participate personally and substantially in any particular matter involving specific parties in which a former client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I resigned from the International Advisory Board of Thorium Power, Ltd. as of December of 2008. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which Thorium Power is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will also resign from positions with the following entities: Global Transfer Group, LLC; and Nuclear Threat Initiative. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which any of these entities is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d):

You have further advised me that the recusal policy of the Senate Committee on Energy and Natural Resources extends the one-year-cooling-off period of 5 C.F.R. 2635.502 for the duration of my service in the position of Deputy Secretary with regard to those particular matters involving specific parties in which I participated personally and substantially in my immediately previous positions with entities when the matter is one in which the Department of Energy is a party or has a substantial interest. In addition, that recusal policy requires me to recuse myself from all particular matters involving my immediate past employment and service relationships, where my participation in the particular matters would not violate 18 U.S.C. 208(a), but would raise a question on the mind of a reasonable person about my impartiality. I further understand that this recusal applies for a period of one year starting from the date of my confirmation and the waiver provisions of 5 C.F.R. 2635.503(d) would not apply.

Finally, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreements.

Sincerely,

Daniel B. Poneman

20 APRIL 2009