

A \$50 Billion Nuke Power Bomb Is Dropping Toward Obama's Stimulus Package

by Harvey Wasserman
January 31, 2009

The desperate, dangerous nuclear power industry has dropped a \$50 billion stealth bomb meant to irradiate the Obama Stimulus Package.

It comes in the form of a mega-loan guarantee package that would build new reactors Wall Street wouldn't finance even when it had cash. It will take a healthy dose of citizen action to stop it, so start calling your Senators now.

The vaguely worded bailout-in-advance provision was snuck through the Senate Appropriations Committee in the deep night of January 27. It would provide \$50 billion in loan guarantees for "eligible technologies" that would technically include renewable sources and electric transmission. But the handout is clearly directed at nukes and "clean coal."

The Stimulus Package is explicitly meant to create jobs within the next two years. But according to sources at the Nuclear Regulatory Commission, no new reactors could be licensed for construction within that time. Nor could any new coal plants. And thus the funds in this rider are to "remain available until committed." That means their "stimulus" might not go into effect for many years.

But the nuclear industry does have the ability to spend large sums of money on "site preparation" and other busy work prior to being licensed. Though the guarantees could technically be used for truly green sources such as wind and solar, the provision's backers, including Senators Robert Bennett (R-UT) and Thomas Carper (D-DE), have made it clear that this money is meant to go for new reactor construction.

In late 2007, nuclear power's Congressional Godfather, then-Sen. Pete Domenici (R-NM), stuck a similar \$50 billion loan guarantee package into that year's energy bill. A grassroots uprising, joined by virtually all national environmental organizations, helped defeat the package. Among other things, the fight inspired a music video from Bonnie Raitt, Jackson Browne, Graham Nash, Keb Mo and Ben Harper (www.nukefree.org).

In late 2008 the industry came back again with a blank check package that went down in flames along with the stock market.

Still unable to get private financing, the industry is back yet again. In the interim, the projected cost of building new reactors has soared to more than \$10 billion each, and continues to climb steadily. Many of the previous generation of reactors came in hugely over budget. According to the Nuclear Information & Resource Service, one DOE study places the overall average overruns at 207%. But reactor projects such as Seabrook, in New

Hampshire, New York's Shoreham, Pennsylvania's Beaver Valley, California's Diablo Canyon, and many others, far exceeded that.

The Congressional Budget Office now predicts that half the nuclear utilities using such a loan program will go into default. Some \$18.5 billion in loan guarantees has already been approved, apparently for such use. But its legality is being hotly disputed, and the money has not been distributed by the Department of Energy.

Washington insiders believe this latest attempt at a pre-arranged bailout has again come from Domenici, who has stayed in Washington to lobby for his radioactive benefactors after apparently retiring from the Senate in January.

This guarantee package was not part of the Stimulus Package that passed the House. Its secretive, late night inclusion on the Senate side is reminiscent of how former Vice President Dick Cheney did business for the fossil/nuclear corporations that funded much of the Bush Administration. The reappearance of this kind of back door dealing has not been well received, especially in the House.

Numerous national groups, including the Nuclear Information & Resource Service (www.nirs.org) are providing sign-ins for sending e-mails to the Senate. They also urge that you call your Senator at 202-224-3121.

Time is fast slipping by for the nuke power industry. As the popularity of renewables and efficiency escalates, the most obvious source of new jobs and prosperity has become truly green technologies. Atomic power has long since been priced out of the market. Only massive federal and ratepayer subsidies could bring it back, to the direct detriment of the revolution in renewables.

Defeating this latest money grab will help drive another nail in the coffin of the 20th century's most expensive failed technology. It is an essential step toward a truly green-powered future.

Harvey Wasserman's SOLARTOPIA! Our Green-Powered Earth, is at www.harveywasserman.com. He edits the NukeFree.org web site, and is senior editor of www.freepress.org, where this article first appeared.