



FOR IMMEDIATE RELEASE

April 10, 2013

CONTACTS:

Steve Ellis, (202) 546-8500 x126, or steve@taxpayer.net

Ailis Wolf, (703) 276-3265, or aawolf@hastingsgroup.com

WHITE HOUSE BUDGET PROPOSES SPENDING MORE ON SMALL MODULAR REACTORS, WINNER OF 2013 “GOLDEN FLEECE AWARD”

Even Before Administration’s Budget: \$100 Million in “Mini Nuke” Corporate Welfare Already Doled Out, Today’s Announcement Continues Commitment to Half Billion Dollars in Subsidies

WASHINGTON, D.C.///April 10, 2013///Less than six weeks after the nonpartisan group Taxpayers for Common Sense (TCS) handed out its latest “Golden Fleece Award” to the Department of Energy for committing more than half a billion dollars in corporate welfare for the development and licensing of “small modular reactors” (SMRs), the White House today announced that it wanted to continue down this wasteful track by providing \$70 million to SMRs in its Fiscal Year 2014 budget proposal, plus additional research and development funds.

For ongoing budget analysis on this and many other provisions included in the White House budget, visit www.taxpayer.net.

Ryan Alexander, president, Taxpayers for Common Sense, said: **“This is supposed to be a time of great austerity in Washington. We cannot afford to pile more market-distorting subsidies to profitable companies on top of the billions of dollars in subsidies we already give to nuclear power. If the industry believes in small modular reactors and a reactor in every backyard, that’s wonderful ... but don’t expect the taxpayer to pick up the tab.”**

As Taxpayers for Common Sense noted in February, the federal government already paid for a version of SMR R&D when small reactors were designed for the U.S. Navy’s nuclear submarine fleet. Now some highly profitable companies – including Babcock & Wilcox, Westinghouse, Holtec International, and Fluor Corporation – are at the federal trough for another round of federal support for small modular reactors that could go into suburban American neighborhoods.

Prior to the unveiling of the President’s budget, the Department of Energy had already provided nearly \$100 million for these so-called mini reactors while their commercial viability remains in

question. In addition, DOE has committed up to \$452 million over the next five years in an attempt to commercialize up to two separate SMR projects by 2022.

In March 2013, the Department of Energy announced a second funding opportunity for SMRs as part of the \$452 million commitment. The second funding opportunity intends to support the commercialization of one additional SMR project as late as 2027.

In making the Golden Fleece Award, Taxpayers for Common Sense highlighted the following issues:

- ***“Hot-tub” sized reactors ... and king-sized costs?*** The vision the industry and DOE seem to be peddling is a chicken in every pot, a car in every garage, and a reactor in every basement. It’s hard to see the large-scale viability. Absolutely no one is clamoring to buy an SMR because there is no assurance that the electricity will be remotely competitive with power from other sources. New nuclear power today is uncompetitive by a very wide margin. At today’s natural gas prices, SMRs would have to produce electricity at half the projected cost of conventional reactors to compete.
- ***The case being made for federally subsidized SMRs directly contradicts the case that already has been made by the same industry for federal subsidized large reactors.*** There are no reliable cost estimates for SMRs. Nuclear vendors are notorious for underestimating costs, and there is no actual experience. Since the 1950s, the nuclear industry worldwide has consistently pushed for larger reactors on the theory that economics would improve if the high fixed costs of building safe plants could be spread over more kilowatt hours. SMRs represent a reversal of this reasoning and call into question the extensive federal support now being offered to promote a “nuclear renaissance” based on standardizing and sticking to a few large reactor designs.
- ***There is no assurance that SMRs would pass regulatory muster.*** The United States Nuclear Regulatory Commission (NRC) has stated it is not fully prepared to license small modular reactors. In 2008, NRC estimated that it would have a regulatory review process in place to license the first small modular reactors within five years. However in a May 2012 the NRC said, “If an appreciable fraction of total SMR initiatives materialized, it would create an untenable situation for the NRC.”
- ***SMRs come with several additional question marks.*** Major issues for taxpayers include the lack of long-term radioactive waste storage, the creation of additional targets for terrorist attacks across suburban America, the cost of added security to protect the new facilities, etc.

Titled “*Taxpayer Subsidies for Small Modular Reactors*,” a related TCS background report is available online at www.taxpayer.net.

ABOUT TCS AND THE AWARD

Taxpayers for Common Sense is a 501(c)(3) non-partisan budget watchdog serving as an independent voice for American taxpayers. The mission of TCS is to achieve a government that

spends taxpayer dollars responsibly and operates within its means. The organization works with individuals, policymakers, and the media to increase transparency, expose and eliminate wasteful and corrupt subsidies, earmarks, and corporate welfare, and hold decision makers accountable.

The Golden Fleece Award was created in 1975 by the late Senator William Proxmire. It is intended to highlight instances of wasteful spending. After retirement, Sen. Proxmire served as Honorary Chairman of Taxpayers for Common Sense's Advisory Board and passed the mantle of the Golden Fleece to the organization in 2000.

EDITOR'S NOTE: A streaming audio replay of a related February 27, 2013 news event is available on the Web at <http://www.taxpayer.net>.