

Foreign Firms to Benefit from U.S. Nuclear Loan Guarantees

In July 2007, the Nuclear Energy Institute informed congressional appropriators that \$50 billion in taxpayer-funded loan guarantees are needed to jump-start the construction of nuclear power plants.¹ The U.S. Chamber of Commerce, however, recently told the Department of Energy (DOE) that such a loan guarantee program would create *"an apparent advantaging of foreign commercial technologies over domestic technologies."*²

The major beneficiaries of 100 percent U.S. taxpayer-backed loans would be major foreign corporations located primarily in France and Japan.

- These companies are already heavily subsidized by their respective governments.
- The majority of the jobs to construct nuclear power plants would not go to U.S. workers.
- There is only one company in the world capable of building nuclear power vessels: Japan Steel Works.

According to the DOE, *"Major equipment (reactor pressure vessels, steam generators, and moisture separator reheaters) would not be manufactured by U.S. facilities."* Japanese, Korean and European manufacturers are expected to provide these components.³

Foreign corporations that stand to significantly benefit from U.S. taxpayer loan guarantees include:

- **Areva:** A French company with majority ownership held by the French government. Currently an agency of French government owns almost 80 percent of Areva stock. Smaller shares are owned by Siemens, a German stock corporation.
- **Mitsubishi Heavy Industries (MHI) Ltd.:** A Japanese machinery manufacturer, Mitsubishi plans to export major reactor components and new nuclear plants to the United States. Currently U.S. utilities have ordered two of MHI's advanced pressurized reactors (APWR) for license application.
- **Toshiba:** In February 2005, Toshiba Ltd. Purchased a 77 percent share of the Westinghouse Corporation from its previous owner, British Nuclear Fuels Limited. According to DOE, "Toshiba manufactures major equipment for a modified version of GE Nuclear Energy's ABWR design and a Japanese BWR-5 of Toshiba's own design."⁴ U.S. utilities plan to purchase 11 new reactors based on the Toshiba/Westinghouse designs.
- **General Electric/Hitachi Ltd.:** While GE is the only remaining U.S.-based reactor vendor, it has combined its nuclear power division with Hitachi in Japan to maintain and sell nuclear reactors. The GE/Hitachi consortium is marketing the advanced boiling water reactor (ABWR) and the economic simplified boiling water reactor (ESBR). U.S. utilities are planning to purchase five new reactors based on these designs.

¹ "Energy Bill Aids Expansion of Atomic Power," New York Times, July 31, 2007.

² William L. Kovacs, Chamber of Commerce of the United States of America, Re: Proposed Rule on Loan Guarantees for Projects that Employ Innovative Technologies [RIN 1901-AB21], June 29, 2007

³ U.S. Department of Energy, DOE NP2010 Nuclear Power Plant Construction Infrastructure Assessment, October 21, 2005. <http://www.ne.doe.gov/np2010/reports/mpr2776Rev0102105.pdf>

⁴ Ibid.