

Foreign Companies to Benefit from U.S. Taxpayer 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 that such a loan guarantee program would create *"an apparent advantaging of foreign commercial technologies over domestic technologies."*²

The major beneficiaries of these U.S. 100% taxpayer backed loans are major foreign corporations located primarily in France and Japan.

- These companies are already heavily subsidized by their respective governments.
- The lion's share of manufacturing jobs for nuclear power plants will not be held by U.S. workers.
- There is only one company in the world capable of building nuclear power vessels – Japan Steel Works.

According to the Energy Department, *"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% of Areva stock. Smaller shares are owned by Siemens a German stock corporation.
- **Mitsubishi Heavy Industries (MHI) Ltd.** – A Japanese heavy machinery manufacturer, plans to export major reactor components and new nuclear plants to the United States. Currently 2 of MHI's Advanced Pressurized Reactors (APWR) have been ordered for license application in the U.S.
- **Toshiba** – In February 2005, Toshiba Ltd. Purchased a 77% 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 Eleven new reactors based on the Toshiba/Westinghouse designs are planned for purchase in the U.S.
- **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). Five new reactors based on these designs are planned for purchase in the U.S.

¹ "Energy Bill Aids Expansion of Atomic Power," *The 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.