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**“GOLDEN FLEECE AWARD” GOES TO
DEPARTMENT OF ENERGY FOR FEDERAL SPENDING
ON SMALL MODULAR REACTORS**

\$100 Million in “Mini Nuke” Corporate Welfare Already Doled Out, Another Half Billion Dollars Or More in the Pipeline for Major Corporations that Could Pay for Own R&D, Licensing

WASHINGTON, D.C. – The federal government is in the process of wasting more than half a billion dollars to pay large, profitable companies for what should be their own expenses for research & development (R&D) and licensing related to “small modular reactors” (SMRs), which would be about a third of the size or less of today’s large nuclear reactors. In response, the nonpartisan group Taxpayers for Common Sense today handed out its latest “Golden Fleece Award” to the Department of Energy for the dollars being wasted on SMRs.

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

Ryan Alexander, president, Taxpayers for Common Sense, said: **“The nation is two days away from the across-the-board budget cuts known as sequestration. But at the same time we are hearing the Department of Energy and the nuclear industry evangelizing about the benefits of small modular reactors. In reality, we cannot afford to pile more market-distorting subsidies to profitable companies on top the billions of dollars we already gave away.”**

Autumn Hanna, senior program director, Taxpayers for Common Sense, said: **“The nuclear industry has a tradition of rushing forth to proclaim that a new technology, just around the corner, will take care of whatever problem exists. Unfortunately, these technologies have an equally long tradition of expensive failure. If the industry believes in small modular reactors and a reactor in every backyard – great – but don’t expect the taxpayer to pick up the tab.”**

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.

The TCS Award announcement takes place a few weeks before the release of President Obama’s latest budget outline, which is expected to call for a continuation of SMR licensing and R&D funding at taxpayer’s expense. The Department of Energy has 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 fund up to two separate demonstration projects.

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. There is not the slightest indication that they can do so.
- ***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 American, the cost of added security to protect the new facilities, etc.

SMRs have been the focus of a considerable amount of uncritical news media coverage in recent months.

A fraction of the size of conventional-scale reactors, small modular reactors are intended to be manufactured by assembly line and transported by truck, ship, or rail to their destinations. With designs ranging in size from one-third the size of a large-scale plant to “hot-tub” sized, SMRs would also produce significantly less power.

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 the news event will be available on the Web at <http://www.taxpayer.net> as of 5 p.m. EST on February 27, 2013.

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