

Consumer Advocate Ralph Nader Calls President Barack Obama's Loan Guarantee for Nuclear Power Plants Monumental Mistake

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Statement of Ralph Nader

President Obama's support of loan guarantees for the construction of new nuclear power plants is a monumental mistake. It is a decision that is bad for consumers and taxpayers, and it is wrong-headed from an environmental and national security perspective.

Providing \$8.3 billion in loan guarantees to help the Southern Company build two reactors in Georgia is the last thing the Obama Administration should be doing. There is no place for new nuclear power plants in our country's energy future.

It is deplorable that President Obama has called for more so-called "safe, clean nuclear power plants." Adding insult to injury, he requested from Congress another \$54 billion in taxpayer loan guarantees on top of the \$18 billion previously approved under Bush. Wall Street financiers will not loan electric companies money to build new nuclear plants, which can cost \$12 billion and up, unless Uncle Sam guarantees the loans. The Congressional Budget Office estimates that nuclear companies will default on loans for new reactors 50 percent of the time:

"CBO considers the risk of default on such a loan guarantee to be very high—well above 50 percent. The key factor accounting for this risk is that we expect that the plant would be uneconomic to operate because of its high construction costs, relative to other electricity generation sources."

Following the Three Mile Island near-melt down, the many accidents, spills and shutdowns at other plants, and the Chernobyl disaster in what is now Ukraine, the electric utility bosses found Wall Street unwilling to invest in nuclear power and public opposition to nuclear power overwhelming.

Nuclear power is financially risky and regularly bogged down with delays and cost over-runs. Moreover, there are too many spent fuel rods filling pools at nuclear power plants because no permanent storage sites for deadly radioactive wastes have been certified. Finally, the risks of sabotage and nuclear proliferation, which have become prominent national security concerns in the post-9/11 era, are significant.

President Obama should be pursuing energy policies that promote safe, domestic, renewable sources of energy and proven energy conservation strategies to meet our nation's energy demands, not costly, risky, dirty nuclear power.