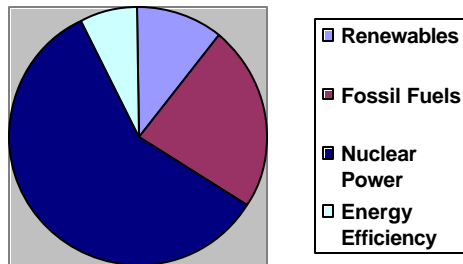


SUPPORT WYDEN-SUNUNU AMENDMENT TO S.14

Senate Energy Bill Grants Unparalleled Subsidies for New Reactors

In 1998, the Congressional Research Service calculated that nuclear energy research and development spending since 1948 totaled \$66 billion (in constant 1998 dollars), significantly more than any other energy source.



Proposed federal financing of new reactors exceeds legitimate research and development spending, by making taxpayers liable for the *construction* of new commercial nuclear plants.

Even the first nuclear plants did not require this level of government intervention. Nearly five decades and more than 100 reactors later, if proposed new reactors are economically viable, the mature nuclear industry should be able to privately finance them.

The Wyden-Sununu amendment would *not* affect existing nuclear plants.

**The commercial nuclear industry is already heavily subsidized.
Federal financing of new reactors is unwarranted.**

Existing Nuclear Subsidies

- ◆ Nuclear Energy Research and Development (including Advanced Fuel Cycle Initiative) = **\$133.2 million** in FY2003.
- ◆ Other Department of Energy Nuclear Energy Supply spending = **\$128.5 million** in FY2003.
- ◆ Decommissioning fund tax break = **\$1.5 billion** FY2003-07.*
- ◆ Price-Anderson indemnification confers an annual indirect subsidy to nuclear operators in terms of foregone insurance premiums (value uncalculated).
- Percentage depletion allowance for non-oil and gas fuels = **\$200 million** in FY2003-07 (includes uranium mined for nuclear fuel).*

New or Expanded Nuclear Subsidies in the Senate energy bill (S.14) and the Energy Tax Incentives Act (S.1149)

- ◆ Nuclear Energy Research and Development = **\$1.76 billion** over 5 years.
- ◆ Extension of decommissioning tax break to merchant operators = **\$411 million** over 5 years.*
- ◆ Permanent reauthorization of Price-Anderson would extend this indirect insurance subsidy to proposed new reactors (value uncalculated).
- ◆ Advanced Hydrogen Reactor Co-generation Project = **\$1.1 billion** over 5 years

* As estimated by the Joint Committee on Taxation, Doc.#JCS-5-02.