Solvency

#### Subsidies fail, better to remove government restrictions

Spencer and Loris 11 (“Jack Spencer is Research Fellow in Nuclear Energy in the Thomas A. Roe Institute for Economic Policy Studies, and Nicolas D. Loris is a Research Associate in the Roe Institute, at The Heritage Foundation.)

(2/2/11 “Small Nuclear Reactors, Big Energy Pay-Offs” http://www.heritage.org/research/reports/2011/02/a-big-future-for-small-nuclear-reactors)

Small modular reactors (SMRs) have garnered significant attention in recent years, with companies of all sizes investing in these smaller, safer, and more cost-efficient nuclear reactors. Utilities are even forming partnerships with reactor designers to prepare for potential future construction. Perhaps most impressive is that most of this development is occurring without government involvement. Private investors and entrepreneurs are dedicating resources to these technologies based on their future prospects, not on government set-asides, mandates, or subsidies, and despite the current regulatory bias in favor of large light water reactors (LWRs).

The result is a young, robust, innovative, and growing SMR industry. Multiple technologies are being proposed that each have their own set of characteristics based on price, fuel, waste characteristics, size, and any number of other variables. To continue this growth, policymakers should reject the temptation to offer the same sort of subsidies and government programs that have proven ineffective for large LWRs. While Department of Energy cost-sharing programs and capital subsidies seem attractive, they have yet to net any new reactor construction. Instead, policymakers should focus on the systemic issues that have continued to thwart the expansion of nuclear power in recent years. Specifically, the federal government needs to develop an efficient and predictable regulatory pathway to new reactor certification and to develop a sustainable nuclear waste management strategy.

#### Aff solves pick the winner arguments – discriminates against SMR now

Spencer 11 (Jack Spencer is Research Fellow in Nuclear Energy in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.)

(6/8/11 “Congress’s Recent Attempts to Promote Small Modular Nuclear Reactors Fall Short” http://www.heritage.org/research/reports/2011/06/congresss-recent-attempts-to-promote-small-modular-nuclear-reactors-fall-short)

Establish a new licensing pathway. The current licensing pathway relies on reactor customers to drive the regulatory process. But absent an efficient and predictable regulatory pathway, few customers will pursue these reactor technologies. The problem is that the legal, regulatory, and policy apparatus is built to support large light water reactors, effectively discriminating against other technologies. Establishing an alternative licensing pathway that takes the unique attributes of small reactors into consideration could help build the necessary regulatory support on which commercialization ultimately depends.[14]

U.S. key to the global economy

Clarfeld 12 [Rob, Forbes Contributor, Decouple This!, 1/25/12, <http://www.forbes.com/sites/robclarfeld/2012/01/25/decouple-this/>]

During the first few weeks of 2012, the markets are following the prevailing narrative that the U.S. economy has “decoupled” from the widely known troubles of Europe, and the somewhat less discussed prevailing risks from China. In a “decoupling” scenario, a country or region is deemed to be able to withstand the troubles going on outside of its own borders because of its own internal economic strength. I see two major problems with this thesis. First, the U.S. economy is not growing at the recently predicted robust rate of 4-5%; rather it is struggling to achieve a rate of 2-2.5%. This leaves little cushion to withstand the “contagion” from a major economic fallout from either Europe or China, or for that matter, economic shocks that have yet to surface. A significant European debt default, banking failure, natural disasters or geopolitical events, would surely impact the U.S. economy and markets beyond the current level of fragile growth – we simply don’t have the levels of productivity requisite to absorb a major blow. Second, it was only a few years ago when the decoupling thesis was widely espoused following the U.S. banking crisis and ensuing recession. At the time the thinking was that the robust growth experienced in the emerging markets would be able to withstand the U.S. slowdown and pick up some of the slack in the global economy. We now know how that worked out – it didn’t! When the U.S. went into a major recession it dragged down the rest of the world with it. We need to deal with it — the global economy remains highly interdependent. If a number of dominoes begin to fall, it is highly unlikely that any individual country or region will be able to escape the carnage. Again, any financial crisis would be occurring from levels of growth that have not yet fully recovered from their recessionary lows. In relative terms, some countries and regions will do better than others, but the “decoupling” thesis is **highly flawed.**

States

Moratorium on nuclear licensing now – plan is a precondition to solvency.

Reuters 9/6/12, “NRC staff to review nuclear reactor waste storage rules,” <http://www.reuters.com/article/2012/09/06/us-utilities-nrc-waste-idUSBRE88515T20120906>

(Reuters) - The U.S. Nuclear Regulatory Commission (NRC) directed its staff on Thursday to start an environmental review into the temporary storage of spent nuclear fuel, following a court ruling that led the agency to stop issuing new reactor licenses.¶ The NRC did not say when it would start issuing new reactor licenses again.¶ The NRC has more than a dozen reactor operating license renewal applications and a dozen new reactor license applications pending.¶ The NRC said it told its staff to develop an environmental impact statement and a revised waste confidence decision and to rule on the temporary storage of spent nuclear fuel.¶ The environmental statement and rule, which are in response to a June 8 ruling of the U.S. Court of Appeals for the District of Columbia Circuit, are to be completed within 24 months, the NRC said.

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Elections

#### New federal nuke support coming before September – and it’s perceived

Yurman ’12 (Race for DOE SMR money heats up B%26W inks MOU with First Energy for economic, siting, and licensing studies Dan Yurman Dan Yurman publishes a blog on nuclear energy titled ’Idaho Samizdat’ http://djysrv.blogspot.com. It covers the nuclear energy industry globally including new reactor investments, economics, politics, and technologies. He is a frequent contributor to the ANS Nuclear Cafe http://ansnuclearcafe.org and to Fuel Cycle Week http://fuelcycleweek.com Posted July 26, 2012

The Department of Energy is reviewing proposals from B&W and several other SMR firms to be granted up to $452 million over five years to support SMR engineering and licensing work. The agency will make up to two awards by the end of September this year.

What's unusual about today’s news, and which puts it in perspective relative to a $452 million funding opportunity for SMRs from the Department of Energy, are statements from Ohio's senators.

On a normal day they rarely agree on anything. However, with the prospect of real money from the government for developing SMRs, and the possibility of the manufacturing jobs that could follow, they put aside their partisan differences. Both men noted the Ohio connection in their extensive remarks.

“This agreement between FirstEnergy and Generation mPower represents another significant step towards making Ohio a hub for advanced manufacturing and next-generation energy,” Sen. Sherrod Brown (D-OH) said.

“Sustained economic growth and job creation in the United States will require a domestic supply of safe, reliable, and cost-effective energy,” said Sen. Rob Portman (R-OH).

#### No one switches votes over energy.

Washington Post 6-27

The Washington Post, 6/27/2012 Energy ads flood TV in swing states, http://www.washingtonpost.com/politics/energy-ads/2012/06/27/gJQAD5MR7V\_story.html)

Energy issues don’t spark much excitement among voters, ranking below health care, education and the federal budget deficit — not to mention jobs and the economy. And yet those same voters are being flooded this year with campaign ads on energy policy. Particularly in presidential swing states, the airwaves are laden with messages boosting oil drilling and natural gas and hammering President Obama for his support of green energy. The Cleveland area alone has heard $2.7 million in energy-related ads. The disconnect between what voters say they care about and what they’re seeing on TV lies in the money behind the ads, much of it coming from oil and gas interests. Those funders get the double benefit of attacking Obama at the same time they are promoting their industry. Democrats also have spent millions on the subject, defending the president’s record and tying Republican candidate Mitt Romney to “Big Oil.” Overall, more than $41 million, about one in four of the dollars spent on broadcast advertising in the presidential campaign, has gone to ads mentioning energy, more than a host of other subjects and just as much as health care, according to ad-tracking firm Kantar Media/Cmag. In an election focused heavily on jobs and the economy, all of this attention to energy seems a bit off topic. But the stakes are high for energy producers and environmentalists, who are squared off over how much the government should regulate the industry. And attention has been heightened by a recent boom in production using new technologies such as fracking and horizontal drilling, as well as a spike in gas prices this spring just as the general election got underway. When asked whether energy is important, more than half of voters say yes, according to recent polls. But asked to rank their top issues, fewer than 1 percent mention energy.