

## Energy Insider by William Engdahl

### Killing the energy future?

*Because of 'political and regulatory uncertainties'—and Carter administration policy—America may not have a nuclear future.*

**T**he largest cancellation in the history of the U.S. nuclear industry occurred last week when the Central Area Power Coordinating Group, a consortium of northern Ohio utilities announced it was abandoning four major nuclear plants in the area. Why? Because of the "intensified political and regulatory uncertainties" that followed the events last year at Three Mile Island.

This cancellation ought to give us pause to reflect on the policies of the Carter administration, particularly concerning the research and development of all facets of nuclear energy. These policies are very directly threatening the security of the United States.

After three years under the so-called environmentalist presidency of Jimmy Carter, it is quite incredible that the good American citizen is obliged to accept a logic that would bring us to the brink of thermonuclear war in order to defend Persian Gulf oil supplies because they are vital to American industrial development, while the same Carter administration is working to dismantle the safest and most important potential energy source we have.

If the strategic realities are as the Carter administration has been claiming—namely that the Soviets are running out of oil and therefore must move to take the rich Persian Gulf fields—reason would dictate the most aggressive domes-

tic nuclear expansion program including the crash development of fast breeders, such as that at Clinch River, Tenn., and fusion. It would also dictate that incentives be provided for the most vigorous domestic petroleum exploration possible, including the removal of environmentalist fetters to western land development and Alaskan "wilderness" restrictions. None of this has happened.

Last week, the Carter administration gave Congress its FY 1981 budget. It calls for a whopping 22 percent cut in nuclear R & D. The liquid metal fast breeder program at Clinch River is barely funded. Instead of an expected increase from \$504 to \$520 million, the breeder budget was slashed to \$320 million, at a time when the Soviets, French, West Germans and Japanese are proceeding apace on similar programs.

The cancellation of the \$7.4 billion Ohio project is only the most dramatic nuclear cancellation. One week before, New York State refused approval to Rochester Gas & Electric to build the 1,157 megaWatt Sterling nuclear plant scheduled to come on line by the late 1990's. It wouldn't be needed, the state calculated, until 1991! The state also rejected a 2-unit (1,150 MW each) complex at Jamesport, N.Y. The head of the state Public Service Commission cited "considerable regulatory uncertainty surrounding nuclear

plants since Three Mile Island..." A spokesman for the utilities called it a "political decision" and "a grave error."

According to U.S. nuclear industry sources, this brings to 13 the total of nuclear plants already underway that have been cancelled since the Three Mile Island incident. For reference, one 1,000 MW nuclear plant generates the equivalent of 10 million barrels of oil in a year. One such plant provides electricity to power a city of more than 600,000. The bill of materials for such projects requires tens of thousands of tons of specialty steels, concrete, sophisticated electronics and engineering products and the skilled labor to produce that bill of materials and construct the plant. The death of this technological capability, if allowed to proceed, would represent an incalculable loss to the world.

Only four years ago the United States was the center of the worldwide development of nuclear energy, providing 90 percent of world exports and the base of the French and West German nuclear industries. Now, one of the two major suppliers of this technology, General Electric, is on the verge of closing shop on its nuclear division. One top GE official stated this week that "we don't see any realistic prospects for a new order this year," neglecting to mention that their last order predates the Carter administration. Numerous nuclear vendors and suppliers are on the verge of bankruptcy with Babcock and Wilcox all but out of the business since Three Mile Island. Once dispersed, highly skilled teams of engineers and scientists, skilled technicians and managers take years to rebuild.