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U.S. to Back Loans for Reactors

By THE NEW YORK TIMES

WASHINGTON — [President Obama](#) is to announce on Tuesday a loan guarantee to allow construction of two nuclear reactors in Georgia, according to administration officials.

If the project happens, it is likely to be the first nuclear reactor construction in the United States since the 1970s.

The Southern Company applied two years ago to the [Nuclear Regulatory Commission](#) for permission to build and operate two reactors in Burke County, near Augusta, adjacent to its Vogtle 1 and 2 reactors. The company hopes to win a license late next year.

The loan guarantee was authorized by the 2005 Energy Policy Act. If the reactors are built and operate profitably, the borrowers will repay the banks and pay a fee to the federal government in exchange for the guarantee; if the borrowers default, the federal government will repay the banks.

Critics have argued that the chance of default is high, and the loans have been delayed by protracted negotiations over what the fee should be.

The 2005 act provided \$18.5 billion in guarantees, but Mr. Obama proposed earlier this month to triple that amount.

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