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In Wake of Japanese Crisis, Obama Should Reject Nuclear Company's \$10 Million Loan for Democratic Convention

Statement of Tyson Slocum, Director, Public Citizen's Energy Program

A \$10 million line of credit provided to the Democratic National Committee by nuclear power company Duke Energy should be rejected by President Barack Obama. As the administration formulates its response to the Japanese nuclear crisis, it should not be accepting support from nuclear power interests, particularly since this significant corporate loan to the president's re-election convention committee undermines the president's recent convention financing cleanup efforts.

During the 2008 election campaign, then-Sen. Obama qualified his response to nuclear power expansion with a long list of issues that would need to be resolved – including safety and waste storage – before he would fully endorse the technology. But while the Japanese continue to contend with the threat of significant releases of radioactivity from its damaged reactors, and U.S. reactor and spent fuel storage vulnerabilities come in to question, the Obama administration continues to profess its commitment to use taxpayer money to build new reactors.

On March 12, the media reported that Duke Energy was providing the Democratic convention host committee with a \$10 million line of credit for the party's 2012 national convention to re-elect Obama. The money will be paid back, but the president's re-election campaign should not be relying on loan guarantees from the nuclear industry at a time when the industry's future is contingent on obtaining loan guarantees from the U.S. government.

Obama and the Democratic National Committee have proposed some dramatic and important new steps in reforming how the national nominating conventions are funded. For the first time ever, direct contributions from corporations are banned, though the Democratic convention will accept in-kind contributions from corporations, and a \$100,000 contribution limit has been imposed on individuals. Given that the 2008 conventions received about 80 percent of their funding from direct corporate contributions and only about 5 percent of total convention funding came in amounts of \$100,000 or less, these are some big changes in how we finance party conventions. The new convention funding policy is an important rebuke to the corporate dominance of politics that has soared since the U.S. Supreme Court's *Citizens United v. Federal Election Commission* decision.

Accepting a loan guarantee from Duke Energy, just when that the nation is re-thinking its policy on nuclear energy, creates a loophole in the Obama-DNC reforms – and illustrates precisely why robust reforms are needed. Duke Energy operates three nuclear complexes and is negotiating with federal officials on subsidies to build a fourth in South Carolina. In addition, Duke Energy announced a merger with Progress Energy, which also has three nuclear power facilities and is negotiating with the Obama administration to build a fourth.

In all, nuclear power utilities also have made campaign contributions of \$40 million to federal officials of both parties since 2007.

Does the \$10 million loan by Duke Energy – combined with contributions from the nuclear power industry to Obama's 2008 presidential run – influence the administration's pro-nuclear position?

In a time of crisis that threatens Americans, the administration shouldn't be bending over backwards to soothe investors' fears about the safety of nuclear power. The president instead should be following the lead of Germany and other nations that have recognized the dangers that nuclear power plants pose to public health and safety.

The administration must put a halt to all nuclear loan guarantees and call on Congress to repeal the Price-Anderson Act, thereby requiring nuclear power companies to obtain their own catastrophic risk insurance. Further, the administration must support an effort empowering state elected officials to determine the future of aging reactors in their states.

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