

**Opening Statement of the Honorable Fred Upton
Chairman, Subcommittee on Energy
“DOE Modernization: Legislation Addressing Development, Regulation,
and Competitiveness of Advanced Nuclear Energy Technologies”
May 22, 2018**

(As prepared for delivery)

Good morning and welcome to our hearing to discuss four important legislative proposals to address and advance our nation’s nuclear energy policy.

As we have heard throughout Congress, our nation’s international nuclear leadership is eroding. Just last week, a report by Bloomberg New Energy Finance found that nearly a quarter of our nation’s fleet of nuclear power reactors are at risk of early closure in the next few years.

These 24 at-risk reactors total over six percent of the total electricity generated in the United States, about how much electricity is consumed in Michigan and Illinois combined. If we are serious about an all-of-the-above energy strategy and the value of a diverse, clean energy portfolio, the implications of this threat cannot be ignored.

The decision to close a nuclear power plant is irreversible. Reactors cannot be re-licensed to produce power once they cease operation. If the projected retirement of nuclear energy is realized, the fleet’s significant loss will lead to a ripple effect throughout the nuclear supply chain.

Fuel cycle facilities, that underpin both commercial and national security needs, lose critical capacity. Technology services that provide world-class simulation to maximize nuclear safety will look to other global markets that have growth potential. The next generation of nuclear engineering and scientists would dry up as educational institutions can no longer continue to support the necessary facilities and programs. International leaders in the nuclear field made clear to this Subcommittee in February, these cumulative repercussions will weaken our national security standing and, if it continues, would require a generation of sustained Federal commitment to rebuild.

But I do not yet cede that outcome as inevitable. The thoughtful proposals we will examine today provide directed solutions to address these multi-faceted challenges.

H.R. 1320, sponsored by Representatives Kinzinger and Doyle, brings budgetary discipline to the Nuclear Regulatory Commission (NRC) and improves

transparency and predictability for civilian nuclear companies. Under current statutory requirements, the NRC recovers about 90% of its total budget from NRC licensees. As a result, my Southwestern Michigan ratepayers help fund NRC to regulate, license, and oversee the commercial nuclear industry. The Kinzinger-Doyle bill also lays out basic expectations that align with NRC's established tradition of adhering to the organization's Principles of Good Regulation.

Congressman Johnson's discussion draft addresses the global competitive challenges for the nuclear supplier community. When provided a level playing field, I am confident American know-how and technological leadership is the best in the world. However, nuclear companies backed by foreign governments, which don't necessarily share our American values, artificially subsidize our competition. The motivation behind these actions is clear. Our adversaries seek to establish fifty-year, or longer, geostrategic relationships. Mr. Johnson's bill will improve the ability of our companies to compete, and win, in international markets.

Imagine designing a new car that is cheaper, safer, and gets triple the fuel mileage from anything we see on the road today. But when the vehicle is ready to hit the road, there is no gas to fill up the tank. Nuclear innovators face just that challenge.

Advanced nuclear technologies offer a wealth of promising benefits. However, for these designs to become reality, a certain amount of advanced nuclear fuel must be available for the first movers. Congressman Flores' legislation helps address this obstacle by directing DOE to undertake specific actions to provide what is known as high-assay low enriched uranium. The time to begin addressing this problem is now in order to have the advanced fuel available when needed.

The fourth bill, the bipartisan legislation from Congressmen Hudson, Peters, Wilson, and Norcross, directs the Secretary of Energy to identify the key components for a pilot program that could capture the energy security benefits of future nuclear technologies to support critical national security infrastructure.

This morning we will hear from the Department of Energy on the first panel, including from the office of Nuclear Energy and the NNSA. We will also hear several expert perspectives on the second panel. I look forward to the discussion and working with my colleagues on both sides of the aisle to advance these important bipartisan bills.

I look forward to the feedback the two panels of expert witnesses will provide this morning, as well as working with my colleagues on both sides of the aisle to advance these important bipartisan bills.