Obama Calls $8.3 Billion Nuclear Grant 'Only The Beginning'

bu Julie Pace, Associated Press Writer

LANHAM, Md. (AP) — Promising "this is only the beginning," President Barack Obama announced more than $8 billion in federal loan guarantees Tuesday for the construction of the first nuclear power plant in the United States in nearly three decades.

Obama cast his move as both economically essential and politically attractive as he sought to put more charge into his broad energy agenda. Obama called for comprehensive energy legislation that assigns a cost to the carbon pollution of fossil fuels, giving utility companies more incentive to turn to cleaner nuclear fuel.

"On an issue that affects our economy, our security, and the future of our planet, we can't continue to be mired in the same old stale debates between left and right, between environmentalists and entrepreneurs," Obama said in a stop at a job training center outside Washington. "Our competitors are racing to create jobs and command growing energy industries. And nuclear energy is no exception."

Rising costs, safety issues and opposition from environmentalists have kept utility companies from building new nuclear power plants since the early 1980s

Obama has been arguing that the country must develop cleaner energy technologies and modernize the means by which it powers itself. At the same time, he has said that policymakers must not conclude they have to choose between a cleaner environment and sufficient energy supplies to meet demand.

Obama's budget proposal for 2011 would add $36 billion in new federal loan guarantees to $18.5 billion already budgeted but not spent — for a total of $54.5 billion. The new $8.3 billion in federal loan guarantees will go toward the construction and operation of a pair of reactors in Burke County, Ga., by Southern Co.

Even in promoting his case, the president conceded that nuclear energy has "serious drawbacks." He said a bipartisan group of leaders and nuclear experts will be tasked with improving and accelerating the safe storage of nuclear waste, and that the plants themselves must be held to strictest safety standards.

"That's going to be an imperative. But investing in nuclear energy remains a necessary step," Obama said.

"And what I hope is that this announcement underscores both our seriousness in

meeting the energy challenge — and our willingness to look at this challenge not as a partisan issue, but as a matter far more important than politics," he added.

Obama spoke after spending time at the job training center at the headquarters of Local 26 of the International Brotherhood of Electrical Workers. The union represents electrical and telecommunications workers, and it offers training for energy jobs, including the construction of nuclear power plants.

On the tour, Obama met instructors and trainees who are learning advanced electrical skills. At one point, Obama learned about fire alarm wiring and took a chance to pull an alarm himself. He later joked it was the first time he had done that "since junior high."

Federal loan guarantees are seen as essential to spurring construction of new reactors because of the huge expense. Critics say the guarantees are a form of subsidy that will put taxpayers at risk given the industry's record of cost overruns and loan defaults.

The reactors, to be built by the Atlanta-based energy company near Waynesboro, Ga., are part of a White House plan the administration hopes will win Republican support at a time when the public is expressing a desire for lawmakers to work together to solve problems.

Having Obama make the announcement also underscores the political weight the White House is putting behind the effort to use nuclear power and other alternative energy sources to reduce U.S. dependence on foreign oil and other fossil fuels, and create jobs at home.

But construction of the reactors — and the jobs the project is expected to create — are years away.

Southern Co.'s application for a license to build and operate the reactors is pending with the Nuclear Regulatory Commission, one of 13 such applications the agency is considering. The earliest any could be approved would be late 2011 or early 2012, an NRC spokesman said.

Southern Co. says the Georgia project would create about 3,000 construction jobs, while the new reactors would generate power for about 1.4 million people and permanently employ 850 people.

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Associated Press writers Darlene Superville and Ben Feller contributed to this report.

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