

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. KELLY of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

# MODIFICATIONS OF CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES

Mr. RICE of South Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1551) to amend the Internal Revenue Code of 1986 to modify the credit for production from advanced nuclear power facilities, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

## SECTION 1. MODIFICATIONS OF CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES.

(a) TREATMENT OF UNUTILIZED LIMITATION AMOUNTS.—Section 45J(b) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (4), by inserting “or any amendment to” after “enactment of”, and

(2) by adding at the end the following new paragraph:

“(5) ALLOCATION OF UNUTILIZED LIMITATION.—

“(A) IN GENERAL.—Any unutilized national megawatt capacity limitation shall be allocated by the Secretary under paragraph (3) as rapidly as is practicable after December 31, 2020—

“(i) first to facilities placed in service on or before such date to the extent that such facilities did not receive an allocation equal to their full nameplate capacity, and

“(ii) then to facilities placed in service after such date in the order in which such facilities are placed in service.

“(B) UNUTILIZED NATIONAL MEGAWATT CAPACITY LIMITATION.—The term ‘unutilized national megawatt capacity limitation’ means the excess (if any) of—

“(i) 6,000 megawatts, over

“(ii) the aggregate amount of national megawatt capacity limitation allocated by the Secretary before January 1, 2021, reduced by any amount of such limitation which was allocated to a facility which was not placed in service before such date.

“(C) COORDINATION WITH OTHER PROVISIONS.—In the case of any unutilized national megawatt capacity limitation allocated by the Secretary pursuant to this paragraph—

“(i) such allocation shall be treated for purposes of this section in the same manner as an allocation of national megawatt capacity limitation, and

“(ii) subsection (d)(1)(B) shall not apply to any facility which receives such allocation.”.

(b) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—

(1) IN GENERAL.—Section 45J of such Code is amended—

(A) by redesignating subsection (e) as subsection (f), and

(B) by inserting after subsection (d) the following new subsection:

“(e) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—

“(1) IN GENERAL.—If, with respect to a credit under subsection (a) for any taxable year—

“(A) the taxpayer would be a qualified public entity, and

“(B) such entity elects the application of this paragraph for such taxable year with respect to all (or any portion specified in such election) of such credit,

the eligible project partner specified in such election (and not the qualified public entity) shall be treated as the taxpayer for purposes of this title with respect to such credit (or such portion thereof).

“(2) DEFINITIONS.—For purposes of this subsection—

“(A) QUALIFIED PUBLIC ENTITY.—The term ‘qualified public entity’ means—

“(i) a Federal, State, or local government entity, or any political subdivision, agency, or instrumentality thereof,

“(ii) a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2), or

“(iii) a not-for-profit electric utility which has or had received a loan or loan guarantee under the Rural Electrification Act of 1936.

“(B) ELIGIBLE PROJECT PARTNER.—The term ‘eligible project partner’ means—

“(i) any person responsible for, or participating in, the design or construction of the advanced nuclear power facility to which the credit under subsection (a) relates,

“(ii) any person who participates in the provision of the nuclear steam supply system to the advanced nuclear power facility to which the credit under subsection (a) relates,

“(iii) any person who participates in the provision of nuclear fuel to the advanced nuclear power facility to which the credit under subsection (a) relates, or

“(iv) any person who has an ownership interest in such facility.

“(3) SPECIAL RULES.—

“(A) APPLICATION TO PARTNERSHIPS.—In the case of a credit under subsection (a) which is determined at the partnership level—

“(i) for purposes of paragraph (1)(A), a qualified public entity shall be treated as the taxpayer with respect to such entity’s distributive share of such credit, and

“(ii) the term ‘eligible project partner’ shall include any partner of the partnership.

“(B) TAXABLE YEAR IN WHICH CREDIT TAKEN INTO ACCOUNT.—In the case of any credit (or portion thereof) with respect to which an election is made under paragraph (1), such credit shall be taken into account in the first taxable year of the eligible project partner ending with, or after, the qualified public entity’s taxable year with respect to which the credit was determined.

“(C) TREATMENT OF TRANSFER UNDER PRIVATE USE RULES.—For purposes of section 141(b)(1), any benefit derived by an eligible project partner in connection with an election under this subsection shall not be taken into account as a private business use.”.

(2) SPECIAL RULE FOR PROCEEDS OF TRANSFERS FOR MUTUAL OR COOPERATIVE ELECTRIC COMPANIES.—Section 501(c)(12) of such Code is amended by adding at the end the following new subparagraph:

“(I) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2), income received or accrued in connection with an election under section 45J(e)(1) shall be treated as an amount collected from members for the sole purpose of meeting losses and expenses.”.

(c) EFFECTIVE DATES.—

(1) TREATMENT OF UNUTILIZED LIMITATION AMOUNTS.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—The amendments made by subsection (b) shall apply to taxable years beginning after the date of the enactment of this Act.

The SPEAKER pro tempore (Mr. KELLY of Pennsylvania). Pursuant to the rule, the gentleman from South Carolina (Mr. RICE) and the gentleman from Massachusetts (Mr. NEAL) each will control 20 minutes.

The Chair recognizes the gentleman from South Carolina.

GENERAL LEAVE

Mr. RICE of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1551, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RICE of South Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I stand in strong support of H.R. 1551, a bill I have sponsored that modifies the advanced nuclear production tax credit.

The nuclear production tax credit has been a vital incentive to jumpstart a nuclear industry that has been dormant for almost 40 years. Unfortunately, due to overregulation, ambiguities in the law, and other unanticipated events, the first-in-a-generation nuclear plants that began construction because of this tax credit are in danger of being shut down midconstruction.

Without certainty that these facilities will have full access to the allocation of their tax credits, it may be another 30 or 40 years before this country builds another cutting-edge nuclear facility. Thankfully, the legislation we are considering today provides these facilities the certainty they so desperately need to move forward.

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Almost 12 years ago, Congress established the nuclear production tax credit as part of a broader package designed to ensure our energy independence. Not wanting to oversubsidize the nuclear industry, Congress set out to limit the credit in a number of ways, including a national production capacity that effectively capped the amount of this credit available.

South Carolina and Georgia responded to this incentive, making large investments in nuclear facilities that represented the pinnacle of safety and innovation in the industry. After years of applications, planning, and rigorous oversight by multiple regulatory authorities, these plants began construction in 2013, receiving sizable allocations of the nuclear production tax credit’s national capacity.

Yet, it quickly became clear changes to the underlying provision were necessary in order for these plants to fulfill the capacity allocation as Congress originally intended. For example, right now, not-for-profit entities like public utilities are unable to utilize or transfer their share of the credits, leaving the majority of the tax credits allocated to these two plants unusable.

Additionally, strict placed-in-service date rules would force these plants to make decisions between finishing before a deadline or making sure they are constructed in the safest way possible.

Recently, to make matters worse, a third-party contractor for both plants unexpectedly filed for bankruptcy, putting the projects in jeopardy of finishing before the placed-in-service date, if at all.

In the coming weeks, both plants must go before State regulators and provide a plan for how they will continue construction. The full availability of the \$2 billion in tax credits will be a key factor in the regulators' assessment of whether to approve the plans to continue with the facilities or shut down the construction completely.

Taking a step back for a second, I think it is important to note that one of my top priorities in Congress is to help restore our country's competitiveness through a comprehensive overhaul of our Tax Code. An ideal tax system promotes parity between different energy sources and gets the government out of the business of picking winners and losers.

Before we get to that ideal tax system, we must create a smooth transition from our current system to the new system. This legislation is an important part of that transition. As Ways and Means Committee Chairman BRADY said at our markup last week: "Nuclear power is a critical component of an all-of-the-above strategy for energy independence and national security."

Without this legislation, the nuclear power industry may cease to exist as we know it today in this country, which is exactly why passing this legislation today is more important now than ever. Nuclear power is crucial to our energy independence.

Additionally, if these facilities shut down tomorrow, it will immediately cost 12,000 jobs in South Carolina and Georgia. It will cost the ratepayers hundreds, if not thousands, of dollars in increases in their annual utility bills. And most alarming, our national security will be jeopardized, as countries like China and Russia continue to make massive investments in nuclear power production.

We need to give these plants the certainty of the tax credits as Congress originally intended, not just for South Carolina and Georgia, but for the continued innovation of nuclear energy and the security of our Nation.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1551, a bipartisan bill to modify the section 45J production tax credit for advanced power.

This bill is sponsored by two of my colleagues on the Ways and Means Committee, Mr. BLUMENAUER from Oregon and Mr. RICE from South Caro-

lina. It enjoys bipartisan support of members of the committee as well.

Passage of this bill is critical to thousands of jobs in South Carolina and Georgia. As you know, I am committed to passing good, bipartisan legislation that puts and keeps Americans to work in good-paying jobs.

However, I must highlight my disappointment that the committee at this moment has not acted on other important priorities in the energy tax space. For example, there is bipartisan interest in this Congress for extending section 48 investment tax credit for non-solar, section 48-eligible technologies. H.R. 1090, the Technology for Energy Security Act, introduced by our colleagues, Mr. REED from New York and Mr. THOMPSON from California, is supported by a bipartisan group of 93 Members of Congress.

The committee is overdue in considering this important piece of legislation, as well as other provisions vital to renewable energy, renewable fuels, and energy efficiency and alternative fuel vehicles that expired at the end of 2016. As the gentleman from South Carolina noted, all of the above.

I hope we can act before the eleventh hour to extend these provisions.

Mr. Speaker, I conclude by reminding my colleagues that the United States Government invests a tremendous amount of money on energy policy through our Tax Code. These investments have helped to grow our economy and create good-paying jobs nationwide. Therefore, as we continue the discussions on tax reform, I hope and anticipate Chairman BRADY will consider focusing on comprehensive, fully integrated energy strategy reform as well.

Mr. Speaker, I reserve the balance of my time.

Mr. RICE of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. DUNCAN).

Mr. DUNCAN of South Carolina. Mr. Speaker, I thank the gentleman from South Carolina (Mr. RICE) for his work on this.

I rise today to keep the lights on for American nuclear energy.

America is being left behind in the nuclear energy race. Nuclear energy in the United States is lagging behind our competition. The four new generation reactors being built in South Carolina and Georgia are the first new reactor construction since the 1970s. The Watts Bar 2 reactor in Tennessee, which was first permitted in the 1970s, only recently came online in 2016.

Mr. Speaker, America needs to get serious about nuclear energy. These new reactors not only keep our economy pumping with 24/7 base-load electricity, they are also the foundation for America's national security. A successful civilian nuclear energy sector is key to supporting America's military needs.

Nuclear needs to be approached holistically. From new production at plants

like V.C. Summer in South Carolina, to treatment and disposal facilities at the Savannah River Site, it is in America's national security interest that policies keep all aspects of the nuclear life cycle competitive with the rest of the world.

Passing this legislation now will send a clear signal to the regulatory authorities at home and nations abroad that America is serious about national security. Without such a signal, the chances that the regulatory authorities disregard the tax credits for the purposes of evaluating the project are much higher, likely leading to the authorities not approving the continued construction of the plants.

The United States must not turn over leadership in nuclear technology to Russia and China. China's recent nuclear deals are with Sudan, South Africa, Kenya, Egypt, Argentina, and Great Britain.

Rosatom, which administers the former Soviet weapons complex, says it has received orders for 34 nuclear power reactors in 13 countries, including Iran. Together, Russia and China are constructing almost 30 new advanced nuclear units, whereas the four units at the V.C. Summer and Vogtle plants would be our first nuclear units in almost 40 years.

Nuclear energy is the cornerstone of American economic and national security. I urge my colleagues to not turn the lights out on nuclear energy, and to vote in favor of H.R. 1551.

Mr. NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from South Carolina (Mr. CLYBURN), the assistant Democratic leader and my friend.

Mr. CLYBURN. I thank my friend, Mr. NEAL, for yielding and for his support of this bill. It is very important to the States of South Carolina and Georgia.

Mr. Speaker, H.R. 1551 will make two critical modifications to the nuclear production tax credit program. This bill will allow government-owned electric utilities and nonprofit electric cooperatives to utilize the credit, which current law restricts to for-profit utilities only. It will also remove the placed-in-service deadline for facilities to be completed.

Since the tax credit's original passage in the Energy Policy Act of 2005, four new advanced nuclear plants, the V.C. Summer site in South Carolina, and the Vogtle site in Georgia, have been licensed by the Nuclear Regulatory Commission and are under construction.

Both projects are partly owned by State or municipal-owned utilities or nonprofit electric cooperatives. These public power entities, which have taken the first steps in constructing new advanced nuclear facilities, should not be penalized, but should, instead, be treated similarly to the for-profit utilities for the purpose of these tax incentives.

The construction that is currently underway in South Carolina and Georgia employ over 12,000 skilled workers

and represent billions of dollars of investment. When complete, they will be the largest addition of carbon-free energy in either State and will replace older fossil fuel-emitting plants.

Recently, the contractor building both the South Carolina and Georgia facilities has entered into bankruptcy proceedings, raising the possibility of further delays in the completion of these projects. It is critical that the placed-in-service deadline be extended so that these projects, the first new advanced nuclear construction projects in this country in over 30 years, may be completed.

While Russia, China, and other countries around the world are investing in nuclear energy, we cannot afford to walk away from these important sources of clean energy for future generations.

The modifications in this bill do not expand the tax credit and, as such, have little additional cost to the taxpayer.

I want to thank my colleagues, TOM RICE and EARL BLUMENAUER, for sponsoring this legislation; and Chairman KEVIN BRADY and Ranking Member RICHARD NEAL for the support they have given to it.

Mr. RICE of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. JODY B. HICE).

Mr. JODY B. HICE of Georgia. Mr. Speaker, I thank all of my colleagues for the comments that have been made regarding this very important piece of legislation.

We all know that securing American energy independence is absolutely critical to the future prosperity of this Nation, and nuclear power plays a major role in that mission.

At the Vogtle plant in Georgia, thousands of engineers and craftsmen, many of whom live in my district, are hard at work putting the United States at the forefront of advanced nuclear technology. The Vogtle plant and its sister plant in South Carolina, V.C. Summer, have four new, state-of-the-art reactors under construction. The clean, low-cost, safe energy that is produced from both Vogtle and V.C. Summer will pave the way for future reactors and mark a new era for nuclear power in the United States.

H.R. 1551 makes relatively small changes to already established tax credits, but this legislation will have an enormous impact on ensuring nuclear power remains a viable source of energy.

So I, again, just want to thank my good friend, Mr. RICE, for introducing this sincerely important piece of legislation, and I urge all of my colleagues here to support H.R. 1551.

Mr. Speaker, I am honored to support this bill.

Mr. NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DOGGETT), my friend.

Mr. DOGGETT. Mr. Speaker, how very appropriate it is today that this

Congress is interrupting consideration of child welfare and foster care bills in order to address a gift for the nuclear industry. An indifferent Congress that refuses to put an extra dime in addressing the deficiencies of our foster care system doesn't hesitate for a moment in giving a few more million dollars to the nuclear industry.

Isn't it amazing to hear what we will accomplish with a mere \$16 million additional tax subsidy?

Our national security will be protected. This is the first concern I have heard here on the floor in months from a Republican about giving things to Russia and China. Maybe the better place to look than this bill is down the street at the White House, if the real concern is what we are giving to the Russia.

To hear supporters of this bill talk about the dangers to Georgia and South Carolina, you would think that Sherman's March on Atlanta, Georgia, and South Carolina was nothing compared to the harm this Congress would do if it failed to enact this bill.

Well, the devastation that faces consumers in these States has nothing to do with what Congress has or has not done, but it has to do with the nuclear industry seeking special treatment, much as it is seeking taxpayer subsidies here today.

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It is an industry that has disregarded longstanding utility law to compel Georgians to pay higher electric bills for utility investments before they ever deliver one kilowatt of power. And it may, in fact, never get around to providing any power for all the money that is wasted on them.

This is a bill that is masquerading as an incentive for the future. A glorious new day for nuclear power. And yet it makes this tax credit available to 20-year-old nuclear technology and for last-century uranium mining.

This bill hardly matches its cover. It is true that \$16 million of additional help to the nuclear industry is a mere footnote compared to the billions of taxpayer dollars, taxpayer resources, that have been lavished on this industry in the past.

In Georgia, the nuclear power industry literally turned decades of utility law upside down in demanding that electric ratepayers pay for what stockholders traditionally have paid for. Even after doing that, Westinghouse, a once distinguished American company, a blue ribbon company, went belly up. It has been nuked, and so have those local utility ratepayers.

As The New York Times reported recently:

"Many of the company's injuries are self-inflicted. . . ."

"Bankruptcy will make it harder for Westinghouse's business partners to collect money they are owed by the nuclear-plant maker."

"Now, it is unclear whether the company will be able to complete any of its

projects, which in the United States are about 3 years late and billions over budget."

"The cost estimates are already running \$1 billion to \$1.3 billion higher than originally expected, according to a recent report from Morgan Stanley, and could eventually exceed \$8 billion . . ." right onto the shoulders of those ratepayers in Georgia and South Carolina.

Of course, you would have thought, after the disaster at Fukushima and the many questions raised about nuclear power in Japan, that Congress would be rethinking nuclear power as a panacea. But even if you overlook this human disaster and the dangers to health and safety, a recognition that when the nuclear industry makes a mistake it is a mistake that lasts forever, if you just look at the economics alone, this kind of tax subsidy is unjustified.

With an ample amount of natural gas coming on the market, with so much renewable energy, nuclear simply has not made economic sense, and the history of this particular legislation demonstrates that.

When this tax break was originally set up back in 2005, there were some 32 nuclear plants that were going to take advantage of it, and it hasn't been because of the failure of Congress that they didn't. Out of that 32, exactly four have even begun to be built, and not one of them, not a single one of them, has been completed in over a decade and a half.

After this record of miserable failures, there is good reason to ask why taxpayers should be called on to give even more.

Mr. Speaker, I include in the RECORD a letter from 13 environmental groups expressing opposition to the legislation.

JUNE 20, 2017.

Re Opposition to H.R. 1551—amending tax credit provisions for "advanced" nuclear power.

DEAR SPEAKER RYAN AND MINORITY LEADER PELOSI: On behalf of our millions of members we are writing to register our strong opposition to H.R. 1551 that would eliminate the placed-in-service date for the nuclear production tax credit, which is currently January 1, 2021. It would also allow public power companies to receive the benefit of the federal production tax credit even though they pay no taxes.

Despite H.R. 1551's misleading title, the production tax credit it extends is not designated solely for new, supposed "advanced" nuclear technologies. Rather, reactor designs that were approved over twenty years ago are eligible as described in the bill analysis by the Joint Committee on Taxation, "An advanced nuclear facility is any nuclear facility for the production of electricity, the reactor design for which was approved after 1993 by the Nuclear Regulatory Commission."

The nuclear industry is once again demonstrating that it is not only dirty and dangerous but that it is also not cost competitive. Despite promises that this time would be different, the four Toshiba-Westinghouse AP1000 nuclear reactors under construction in the U.S., two at Southern Company's

Plant Vogtle in Georgia and two at SCANA's V.C. Summer plant in South Carolina, have yet again shown that the nuclear industry is incapable of building new reactors within budget or on time even with significant federal and state financial incentives and new, streamlined federal licensing processes.

Reports issued in recent weeks show that the costs of these projects are out of control, and falling further and further behind schedule. Both are approximately 40% complete in terms of construction, yet have already more than doubled in cost and projected construction time. When construction started in 2009, Vogtle 3 and 4 were projected to cost a total of \$14 billion and to begin generating electricity in 2016 and 2017, respectively. Eight years later, the reactors may not be completed until 2022 and 2023, if ever, and at an estimated total project cost of \$29 billion. Summer 2 and 3 were projected to cost \$11 billion, but overruns have pushed the total to at least \$22.9 billion. Consequently, utility customers in both states are suffering as they are paying in advance for the financing costs associated with the projects far longer than initially predicted and will ultimately face increasing bills because of the projects' costs overruns.

H.R. 1551 would unfairly reward Southern Company and SCANA Corp. for not being able to complete these projects on time, providing them each with more than \$1 billion in taxpayer-provided handouts to shield their shareholders from the financial responsibility of pursuing inherently risky, uneconomical projects. Perhaps even worse, eliminating the placed-in-service date will provide an incentive for yet other utilities to make the same mistakes.

The purpose of tax incentives, whether for nuclear, renewable energy, or other technologies, is to support innovation and technological leadership in the energy sector and to drive the commercialization of promising new technologies. When the nuclear production tax credit was created in 2005, Congress hoped to support a revival of nuclear reactor construction. Only four out of thirty-two reactors proposed since 2005 ever began construction, and the vast majority of the rest have been cancelled or indefinitely shelved.

The failures to bring any of the four reactors online within the fifteen-year period of the tax credit program demonstrates that the technology is an even greater failure than the first generation of reactors, and it will never be widely commercialized. It is simply not a justified or worthy investment of taxpayers' money to grant the owners of these reactors the extraordinary relief of billions of dollars in subsidies for projects that hold no promise for the U.S. energy sector. It should not be forgotten that Southern Company's expansion of Plant Vogtle has already received substantial taxpayer support through the \$8.3 billion in federal nuclear loan guarantees and the public/private cost-sharing support during the permitting and licensing process.

Finally, we oppose H.R. 1551 because the legislation establishes an expensive precedent by creating brand-new tax credit value for any not-for-profit project partners that can only be transferred to all for-profit project partners. Both the Vogtle and Summer projects feature a combination of both for-profit and not-for-profit utilities. Not-for-profit utilities, such as rural cooperatives, municipal or state-owned utilities, have no federal tax liability and therefore are not entitled to tax credits. But under H.R. 1551, the tax credit is made available for not-for-profit entities that can only be transferred to the project's for-profit partners. Furthermore, H.R. 1551 specifies that rural cooperatives may treat tax credit transfers as funds collected for "the sole purpose of

meeting losses and expenses"—that is, as a form of debt relief, for which production tax credits were not intended. These measures amount to a brand-new, taxpayer-shouldered giveaway for both Southern Company and SCANA Corp.

Furthermore, the definition of "eligible partners" that can receive the tax credits from the not-for-profit partner(s) is troubling as it "includes any person who designed or constructed the nuclear power plant, participates in the provision of nuclear steam or nuclear fuel to the power plant, or has an ownership interest in the facility." Providing tax credits to reactor suppliers or the uranium mining industry is objectionable and goes beyond the original intent of the law to provide incentives to actual nuclear utilities that were among the first to pursue new nuclear generation.

The rationales provided for eliminating the placed-in-service date for the nuclear production tax credit are irrelevant and have no merit:

"The cost of H.R. 1551 is minimal." The cost of the nuclear production tax credits is at least \$5.2 billion. Due to both eliminating the placed-in-service date and by permitting qualified public entities to transfer credits to an eligible project partner, the latter provision would actually increase the cost of the tax credits by allowing non-profit, tax-exempt owners of reactors to take a large federal tax credit. State and municipal utilities and rural cooperatives are major owners of both the Vogtle and Summer projects: rural cooperatives own 54.3% of the Vogtle 3 and 4 reactors; and Santee Cooper owns 45% of the Summer 2 and 3 reactors. By permitting these tax-exempt entities to transfer tax credits to private sector partners, H.R. 1551 would double the anticipated amount of the tax credits for the Summer and Vogtle projects. The credits are valued at \$18 per megawatt-hour of electricity generated for the first eight years. This would amount to about \$160 million per year for each reactor—\$1.3 billion each, or \$5.2 billion for all four reactors. Taxpayers stand to avoid a \$5.2 billion expense if none of the reactors come online before the tax credits expire at the end of 2020. By eliminating the placed-in-service date, H.R. 1551 could cost taxpayers billions of dollars for a failed technology.

"The tax credits are essential to the completion of the Vogtle and Summer projects." It is not clear that the tax credits will have any effect on the outcome of the Vogtle and Summer projects at this point. Each of the reactors under construction is now \$5 billion to \$7 billion over budget. Even \$1.3 billion in tax credits is not enough offset such massive cost overruns; and, in any case, the benefits of the production tax credit were assumed when the utilities began building the reactors. If the utilities determine to complete the reactors despite the cost overruns, the value of the tax credits will not be a decisive factor.

"The tax credits are essential to maintaining U.S. leadership in the global nuclear industry." Extending the nuclear production tax credit will do nothing to promote U.S. leadership in nuclear technology or reactor exports. The tax credits themselves will derive to the domestic utilities that will own and operate the Vogtle and Summer reactors, not the manufacturers that design, export, and build reactors. The nuclear divisions of Westinghouse and General Electric are the only two U.S.-based companies actively involved in the global reactor market, but both are now owned by Japanese corporations (Toshiba and Hitachi). As a result of Westinghouse's bankruptcy, Toshiba has determined not to build any more new reactors, and not to continue supporting the AP1000 reactor design. GE-Hitachi's pros-

pects are no better. The company has only two reactors in construction globally (both in Japan and long-delayed).

"A viable commercial nuclear power industry is necessary to support the nation's defense nuclear complex." This would be a hypocritical reason to provide a subsidy to reactors, and could prove dangerous to peace and security domestically and globally. The U.S. is under international treaty obligations to maintain a strict separation of civilian and military applications of nuclear technology. Historically, the U.S. government's purpose in promoting commercial nuclear power was to encourage the peaceful application of atomic energy, not to advance nuclear weapons. If the U.S. is perceived as promoting civilian nuclear power as a means of bolstering our nuclear weapons program, then it will undermine our credibility in the non-proliferation arena. It could also encourage enemies to view nuclear power plants as extensions of our military establishment, and hence as legitimate targets in armed conflict.

We strongly oppose this bill and urge you to vote against this undeserved industry bailout. We urge Congress to oppose this provision and instead focus on low- or no-carbon energy choices that can be deployed affordably in the near-term, at low risk, that will lead us to a clean and sustainable future.

Sincerely,

Beyond Nuclear, Center for Biological Diversity, Clean Water Action, Environment America, Friends of the Earth, Greenpeace, League of Conservation Voters, Natural Resources Defense Council, Nuclear Information and Resource Service, Public Citizens, Sierra Club, Southern Alliance for Clean Energy, Southern Oregon Climate Action Now.

Mr. DOGGETT. Mr. Speaker, I believe that there is an important additional concern raised by our colleague Mr. NEAL already.

The SPEAKER pro tempore (Mr. MITCHELL). The time of the gentleman has expired.

Mr. NEAL. I yield the gentleman an additional 1 minute, Mr. Speaker.

Mr. DOGGETT. And that is the fact that there are so many other additional measures that our colleagues' bipartisan efforts that are pending in our committee on energy-efficient residential property, on fuel cells, on small wind energy, on geothermal heat pumps, to mention only a few. These represent forms of energy and energy conservation that will help us address climate change while achieving our energy objectives.

Mr. Speaker, instead of today's measure, our focus should be on safe, healthy forms of energy instead of an industry that costs too much and poses too much danger to humans.

Mr. RICE of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), the chairman of the Ways and Means Committee.

Mr. BRADY of Texas. Mr. Speaker, I rise today in strong support of H.R. 1551, legislation supported by Republicans and Democrats, focused on strengthening America's energy security.

This bill is sponsored and led by Congressman TOM RICE, and it clarifies an

existing law dealing with tax credits for nuclear energy production and making sure these credits work effectively for America. It addresses an urgent problem that now poses a threat to America's energy security and, by extension, our national security.

As a result of an uncertainty with respect to the nuclear production tax credit, there is a risk of construction grinding to a halt on several cutting-edge nuclear power plants in our country. Meanwhile, our global competitors like Russia and China are pushing forward nuclear power to bolster their own energy sectors.

Nuclear power is critical to an all-of-the-above strategy for American energy independence and our national security. It is urgent that we take action now to solve this issue in our Tax Code and provide the certainty that our energy innovators need to continue moving forward with construction. That is exactly what Congressman RICE's bill will do.

To be clear, I would rather be standing here today to announce that this important bill is part of overall tax reform. But the fact is that our focus on that important goal doesn't prevent us from acting to solve urgent problems in existing law like this.

The fact is this bill is not what Washington calls a tax extender. That circus isn't coming back to town. This bill is a solution to a serious and immediate problem in our Tax Code that threatens our energy security. That is why we are moving it forward right now.

Mr. Speaker, I want to thank Congressman RICE for his leadership on H.R. 1551 and the strong support from the South Carolina and Georgia delegations, all who have weighed in on this. And as we continue working with President Trump in the Senate to deliver comprehensive tax reform this year, we should pass this bill now, provide greater certainty for our nuclear energy innovators.

Mr. NEAL. Mr. Speaker, I reserve the balance of my time.

Mr. RICE of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I want to thank Congressman RICE for his introduction of this important legislation.

Mr. Speaker, President Trump and I agree on many issues facing our Nation today. We share our number one priority: national security. Energy independence is critical to our mutual mission to safeguard the United States. That is why I stand before my colleagues in the Nation today in support of H.R. 1551 to modify the nuclear production tax credit.

Enacted in 2005, the Energy Policy Act provided production tax credits for reactors with a deadline of 2020. When the law was enacted, Congress did not anticipate the sunset date would place a hardship on energy producers. As every businessowner knows, the unexpected happens in the real world.

My district is leading the way in the expansion of our Nation's nuclear en-

ergy resources, constructing two of the first nuclear reactors in the United States in more than 30 years. In fact, the 12th District of Georgia will have more than 75 percent of the nuclear generating capacity of the Southern Company.

Also, because Georgia has been ranked as the number one place to locate your business for the last 4 years is because we enjoy extremely low power rates.

In an unfortunate turn of events, Westinghouse filed for bankruptcy, which could result in the nuclear units coming online at Plant Vogtle a little later than 2020. H.R. 1551 will assist our Nation's energy producers to complete Plant Vogtle's units 3 and 4. Mr. Speaker, this is absolutely critical. This change will not cost the taxpayer an additional dime.

You may ask: Why is this a national security issue? As it has been mentioned, China and Russia continue to make heavy investments in nuclear energy. We cannot send a signal to the rest of the world that nondemocratic countries are leading the way in nuclear production and that America is not investing in our own energy independence.

Mr. Speaker, Plant Vogtle is critical to provide clean low-cost energy to Georgians. I urge my colleagues to join me in supporting this critical important legislation.

Mr. NEAL. Mr. Speaker, I continue to reserve the balance of my time.

Mr. RICE of South Carolina. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Speaker, I, too, rise in support of H.R. 1551, and I want to thank Mr. RICE for his hard work on this bill and the way he shepherded it through the legislative process. I think it is awfully important for a number of different reasons. I think it is important for the reason of the environment.

I come from the low country of South Carolina, and we are seeing firsthand sea level rise and its effect. We can have a huge debate on what is causing that, what is not causing that. But in the meantime, there is a clear scientific consensus on the idea of increased CO<sub>2</sub> emissions being tied to this notion of global warming, which very much impacts my congressional district. It impacts a lot of places around the world.

So I think that there is no perfect energy source out there, in fairness to my colleague. But of the available choices out there, I think that something that does address the CO<sub>2</sub> emission question is awfully important, and nuclear does.

I think it is also important from the standpoint of base load in terms of energy in this country and its importance in terms of competitiveness around the world.

Gordon Sullivan wrote a book entitled "Hope is not a Method," and he talked about we may hope for a whole host of different breakthroughs in

terms of alternatives, and I do hope that they come through, whether that is solar or tidal or who knows what. I think that there are emerging technologies there, but, in the meantime, we have to handle this issue of base load from the standpoint of our ability to compete with the rest of the world in terms of baseline energy as it relates to business and it relates to, frankly, the ability to cool one's house in the warm air of South Carolina, or I guess the southwest these days.

I think it is also important from the standpoint of energy independence. This idea of domestic production becomes incredibly important given the way in which we are dealing with a whole host of different places around the globe that at times don't want what is best for America but want what is best for their region to the exclusion, at times, of what is best for America.

Mr. Speaker, this idea of energy independence, I think, is also an important consideration into H.R. 1551. It is for that reason that I come by for a second to thank TOM RICE for his hard work in shepherding this bill forward.

Mr. NEAL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in reference to the previous gentleman's comments, it is helpful for the acknowledgment that there is broad agreement among scientists as to how global warming is occurring. There is a suggestion that it is because of problems that have been generated by man- and womankind. I think that President Obama said clearly all of the above as part of the solution.

So the suggestion that we have had on this side as this legislation advances is also to use the pulpit of the Ways and Means Committee to move forward with advancing meaningful job creation in terms of alternative and renewable energy as well, and creating greater energy efficiencies.

I would think that there should be an opportunity in this House to find some common agreements on legislation, similar to what we are witnessing today, on the renewable front as well. Greater energy efficiency for all of us should be of paramount concern.

Mr. Speaker, I yield back the balance of my time.

Mr. RICE of South Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, I cannot overstate the importance this legislation represents to the future of nuclear energy production in the United States.

As the Ways and Means Committee noted when it approved this same measure last year, while the committee continues to work on comprehensive tax reform as a critical means of promoting economic growth and job creation, it is important to provide immediate clarity and certainty on tax issues affecting American businesses, and this legislation will provide just that.

I would also like to thank Chairman BRADY for his continued support of H.R. 1551, as well as the bipartisan support we received when this bill was voted out of committee by voice vote last week.

Mr. Speaker, I ask for continued bipartisan support from my colleagues here in the House in passing this legislation, not just because it makes commonsense changes to the credit but because of the extreme sense of urgency to provide certainty for our nuclear industry.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Carolina (Mr. RICE) that the House suspend the rules and pass the bill, H.R. 1551, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1700

#### MODERNIZING THE INTERSTATE PLACEMENT OF CHILDREN IN FOSTER CARE ACT

Mrs. WALORSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2742) to amend title IV of the Social Security Act to require States to adopt an electronic system to help expedite the placement of children in foster care or guardianship, or for adoption, across State lines, and to provide funding to aid States in developing such a system, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2742

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Modernizing the Interstate Placement of Children in Foster Care Act”.

#### SEC. 2. FINDINGS.

The Congress finds that—

(1) when a child in foster care cannot return safely home, the child deserves to be placed in a setting that is best for that child, regardless of whether it is in the child’s State or another State;

(2) the Interstate Compact on the Placement of Children (ICPC) was established in 1960 to provide a uniform legal framework for the placement of children across State lines in foster and adoptive homes;

(3) frequently, children waiting to be placed with an adoptive family, relative, or foster parent in another State spend more time waiting for this to occur than children who are placed with an adoptive, family, relative, or foster parent in the same State, because of the outdated, administratively burdensome ICPC process;

(4) no child should have to wait longer to be placed in a loving home simply because the child must cross a State line;

(5) the National Electronic Interstate Compact Enterprise (NEICE) was launched in Au-

gust 2014 in Indiana, Nevada, Florida, South Carolina, Wisconsin, and the District of Columbia, has since expanded into Illinois, Virginia, Rhode Island, California, Alaska, Nebraska, and Georgia, and is expected to be expanded into additional States to improve the administrative process by which children are placed with families across State lines;

(6) States using this electronic interstate case-processing system have reduced administrative costs and the amount of staff time required to process these cases, and caseworkers can spend more time helping children instead of copying and mailing paperwork between States;

(7) since NEICE was launched, placement time has decreased by 30 percent for interstate foster care placements; and

(8) on average, States using this electronic interstate case-processing system have been able to reduce from 24 business days to 13 business days the time it takes to identify a family for a child and prepare the paperwork required to start the ICPC process.

#### SEC. 3. STATE PLAN REQUIREMENT.

(a) IN GENERAL.—Section 471(a)(25) of the Social Security Act (42 U.S.C. 671(a)(25)) is amended—

(1) by striking “provide” and insert “provides”; and

(2) by inserting “, which in the case of a State other than the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa, not later than October 1, 2027, shall include the use of an electronic interstate case-processing system” before the 1st semicolon.

(b) EXEMPTION OF INDIAN TRIBES.—Section 479B(c) of such Act (42 U.S.C. 679c(c)) is amended by adding at the end the following:

“(4) INAPPLICABILITY OF STATE PLAN REQUIREMENT TO HAVE IN EFFECT PROCEDURES PROVIDING FOR THE USE AN ELECTRONIC INTERSTATE CASE-PROCESSING SYSTEM.—The requirement in section 471(a)(25) that a State plan provide that the State shall have in effect procedures providing for the use of an electronic interstate case-processing system shall not apply to an Indian tribe, tribal organization, or tribal consortium that elects to operate a program under this part.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the 1st day of the 1st calendar quarter beginning on or after the date of the enactment of this Act, and shall apply to payments under part E of title IV of the Social Security Act for calendar quarters beginning on or after such date.

(2) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—If the Secretary of Health and Human Services determines that State legislation (other than legislation appropriating funds) is required in order for a State plan developed pursuant to part E of title IV of the Social Security Act to meet the additional requirement imposed by the amendments made by subsection (a), the plan shall not be regarded as failing to meet any of the additional requirements before the 1st day of the 1st calendar quarter beginning after the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, if the State has a 2-year legislative session, each year of the session is deemed to be a separate regular session of the State legislature.

#### SEC. 4. FUNDING FOR THE DEVELOPMENT OF AN ELECTRONIC INTERSTATE CASE-PROCESSING SYSTEM TO EXPEDITE THE INTERSTATE PLACEMENT OF CHILDREN IN FOSTER CARE OR GUARDIANSHIP, OR FOR ADOPTION.

Section 437 of the Social Security Act (42 U.S.C. 629g) is amended by adding at the end the following:

“(g) FUNDING FOR THE DEVELOPMENT OF AN ELECTRONIC INTERSTATE CASE-PROCESSING SYSTEM TO EXPEDITE THE INTERSTATE PLACEMENT OF CHILDREN IN FOSTER CARE OR GUARDIANSHIP, OR FOR ADOPTION.—

“(1) PURPOSE.—The purpose of this subsection is to facilitate the development of an electronic interstate case-processing system for the exchange of data and documents to expedite the placements of children in foster, guardianship, or adoptive homes across State lines.

“(2) REQUIREMENTS.—A State that seeks funding under this subsection shall submit to the Secretary the following information:

“(A) A description of the goals and outcomes to be achieved, which goals and outcomes must result in—

“(i) reducing the time it takes for a child to be provided with a safe and appropriate permanent living arrangement across State lines;

“(ii) improving administrative processes and reducing costs in the foster care system; and

“(iii) the secure exchange of relevant case files and other necessary materials in real time, and timely communications and placement decisions regarding interstate placements of children.

“(B) A description of the activities to be funded in whole or in part with the funds, including the sequencing of the activities.

“(C) A description of the strategies for integrating programs and services for children who are placed across State lines.

“(D) Such other information as the Secretary may require.

“(3) FUNDING AUTHORITY.—The Secretary may provide funds to a State that complies with paragraph (2). In providing funds under this section, the Secretary shall prioritize States that are not yet connected with the electronic interstate case-processing system referred to in paragraph (1).

“(4) USE OF FUNDS.—A State to which funding is provided under this subsection shall use the funding to support the State in connecting with, or enhancing or expediting services provided under, the electronic interstate case-processing system referred to in paragraph (1).

“(5) EVALUATIONS.—Not later than 1 year after the final year in which funds are awarded under this subsection, the Secretary shall submit to the Congress, and make available to the general public by posting on a website, a report that contains the following information:

“(A) How using the electronic interstate case-processing system developed pursuant to paragraph (4) has changed the time it takes for children to be placed across State lines.

“(B) The number of cases subject to the Interstate Compact on the Placement of Children that were processed through the electronic interstate case-processing system, and the number of interstate child placement cases that were processed outside the electronic interstate case-processing system, by each State in each year.

“(C) The progress made by States in implementing the electronic interstate case-processing system.

“(D) How using the electronic interstate case-processing system has affected various metrics related to child safety and well-being, including the time it takes for children to be placed across State lines.

“(E) How using the electronic interstate case-processing system has affected administrative costs and caseworker time spent on placing children across State lines.

“(6) DATA INTEGRATION.—The Secretary, in consultation with the Secretariat for the Interstate Compact on the Placement of Children and the States, shall assess how the