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SENIOR FELLOW

SENATOR JOHN HEINZ PROFESSOR OF MANAGEMENT

PRACTICE IN ENVIRONMENTAL MANAGEMENT, RETIRED

April 19, 2016

The Honorable James M. Inhofe
Chairman
U.S. Senate Committee on Environment &
Public Works
205 Russell Senate Office Building
Washington, DC 20510

The Honorable Barbara Boxer
Ranking Member
U.S. Senate Committee on Environment &
Public Works
112 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Inhofe and Ranking Member Boxer:

Your leadership on the issue of advanced nuclear energy innovation is badly needed. Though I speak solely for myself, not my institution, it is clear that the world needs better energy alternatives, much sooner for dealing with the interwoven challenges of energy poverty, energy security and energy emissions. While advanced nuclear energy is not the only potential technology that can attack these problems, it is certainly one of the more promising and needs to be an option that is fully understood and prudentially available as our nation make its energy choices.

Today, the United States is in danger of forfeiting its leadership in the field of nuclear energy. The barriers to rapid progress in advanced nuclear energy are certainly not technical and probably not even economic. The greatest barriers today are outdated nuclear regulations in the United States that hamper rapid iteration and experimentation in the product development process. This, in turn, stifles innovation, scares off private investors and creates an industry-regulatory culture that has grown to accept development timelines measured in decades as the best that can be done.

Sadly, today some of America's most promising ventures are heading overseas to find the environment they must have to develop their products in a timely fashion, [TerraPower](#) to China and [ThorCon Power](#) to Indonesia. As an American citizen and a business school professor, I find it sad when US-based ventures decide it is necessary to sidestep (or non-US ventures such as Canada's Terrestrial Energy decide not to commercialize US developed technology in) the United States due to what I perceive as failures of national policy and common sense. I hate to see US business and US employment opportunities that are on the scale of a Boeing or an Airbus put at risk of slipping from American fingers for lack of protection by US law and lack of negotiating power with foreign nations when these ventures, in effect, are forced to head overseas.

As the Nuclear Energy Innovation and Modernization Act legislation introduced by Senators Inhofe, Whitehouse, Booker, and Crapo outlines, there is much to be gained by redesigning how our regulatory processes work and how those processes are funded to reflect the changes in technology that make advanced reactors so attractive. Private companies need the regulatory clarity that this legislation provides to raise the private money needed to finance the demonstration and commercialization of innovative new reactor designs

in the US. US government bodies such as the Nuclear Regulatory Commission and the Department of Energy need the clarity that this legislation provides to create new design for the basic regulatory, prototype testing and licensing programs that are needed for on-going nuclear innovation by all private companies.

In particular, US regulators and policy makers need the clear sense that this legislation provides of the urgency that is expected and authorized by our elected officials.

I want to thank you for your leadership and your attention to the issues surrounding advanced nuclear energy. Advanced nuclear energy is vital to our nation's interests. Innovation in this area can only occur when legislation, such as you are reviewing, lets the private sector and the government advance hand-in-hand.

Respectfully,

JB LASSITER III