The Daily Dish

Nuclear Inanity

DOUGLAS HOLTZ-EAKIN | OCTOBER 30, 2025

As part of its ceaseless quest to acquire all the means of production, the Trump Administration has entered into a deal with the parent companies of Westinghouse. According to *The Washington Post*, the taxpayer will "take a stake in at least $80 billion of new nuclear reactors that it sees as key to continuing to develop AI technologies." The twist here is that:

> *The reactors would be funded at least in part by Japan, which agreed to invest $100 billion in Westinghouse projects built in the United States with the help of Japanese contractors, according to a fact sheet published by the Japanese government. [Emphasis added.]*

Of course, there is no White House fact sheet. But this is presumably part of the Japanese commitment to invest in the United States that was part of its trade deal (aka walking around money for the Electric Don). Finally, there is the inevitable ownership stake:

> *Under the agreement, after the U.S. government signs final contracts for the construction of at least $80 billion in Westinghouse reactors, it would be entitled to receive 20 percent of Westinghouse returns in excess of $17.5 billion.*

> *The U.S. could also require Westinghouse to go public if the company's valuation surpasses $30 billion. If it does go public, U.S. taxpayers would be entitled to a 20 percent equity stake in the company, according to details released by Brookfield.*

But that leaves many unanswered questions.

What problem does this solve? The Westinghouse press release and media coverage point to the power needs of AI and the administration's desire to lead the world in developing AI technologies. Ok. If there is a genuine need to further accelerate the development of AI technologies, then Eakinomics can see contracting to acquire such technologies, handing AI developers more money than God in those contracts, leading the AI developers to offer as much money as God to electric utilities to get power from any source, thereby providing Westinghouse a bit less money than God for nuclear power plants.

But why build the plants? And why own the builder?

Or, maybe this is about nuclear power. After all, the press release includes: "Howard Lutnick, Secretary for the United States Department of Commerce, said: 'Our administration is focused on ensuring the rapid development, deployment, and use of advanced nuclear technologies.'" Ok, except that the reactors are legacy designs and not the next-generation commercial reactors (such as small-modular-reactors or nuclear fusion reactors) the administration favors. Why?

Where will the reactors be built? Building a White House ballroom is a piece of cake. Siting a nuclear reactor is kale dipped in salt. Where will the AI developers be? What grids will handle the load? What water is available for cooling? Oh, and where will the waste be stored? Presumably these questions will be answered by Secretary of Central Planning Lutnik.

If history is any guide, these questions will disappear as the administration moves to the next deal. By the way, how's the renovation of Alcatraz going?