



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JULY 3, 1996

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JUSTICE DEPARTMENT APPROVES COOPERATIVE ACTIVITIES OF NUCLEAR POWER ELECTRIC UTILITIES

WASHINGTON, D.C. -- The Department of Justice today approved a proposal by eight nuclear power electric utilities to pool procurement and resources.

The utilities propose to establish a joint venture firm -- the Utilities Service Alliance -- that would engage in procurement for its members and would coordinate the sharing of resources and the consolidation of internal functions among its members. Membership in the alliance will be open to any nuclear power electric utility until its members own thirty-five percent of the nation's nuclear power production.

Members of the alliance would share resources such as skilled personnel, parts, equipment and tools. The Utilities Service Alliance would also review potential consolidation of common internal functions such as accounting, materials management and plant security, in an effort to increase efficiency. All member participation in the alliance would be voluntary.

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The Department noted that the fact that the alliance would not allow its membership to exceed 35 percent of the nuclear power production market meant that it was unlikely that they would possess enough purchasing power to control prices.

Nuclear power plants produce about 21 percent of electric power generated in the U.S.. The eight initial utility members account for about 7 percent of nuclear power production in the U.S. and 2 percent of world-wide production.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said that because alliance members constitute a small segment of the market and will be prohibited from sharing pricing or marketing information, the proposed venture "should not have any adverse effect on competition".

Bingaman also noted that the proposal could benefit consumers, if the alliance passes along any cost savings they realize as a result of increased efficiency.

Under the Department's Business Review Procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Suite 215, Liberty Place, 325 7th Street, N.W., Department of Justice, Washington, D.C. 20004. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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