



Department of Justice

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DEPARTMENT OF JUSTICE WILL NOT CHALLENGE PROPOSED COLLABORATION OF NUCLEAR POWER PLANT OPERATORS

WASHINGTON -- The Department of Justice today announced that it will not challenge a proposal by seven nuclear power plant operators to share resources and coordinate best practices and other operational activities through a proposed venture to be named the STARS Alliance LLC. The members of the proposed STARS Alliance each operate single nuclear electric generation plants of a similar design – pressurized water reactors – and vintage.

The department's position was stated in a business review letter to counsel for the STARS Alliance, from Joseph Wayland, Acting Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

STARS members propose to share best practices and resources such as personnel, parts and equipment, as well as coordinate contingency planning, including coordinated responses to new Nuclear Regulatory Commission requirements adopted in the aftermath of the nuclear disaster in Fukushima, Japan. None of the proposed activities involve the procurement of goods and services or the sale or purchase of electric power. Membership and participation in all of the activities of the proposed STARS joint venture is voluntary.

In issuing the letter, Acting Assistant Attorney General Wayland stated, "To the extent that the proposed cooperative activities increase efficiencies that result in lower costs, increased output or increased safety, the proposed conduct could have a procompetitive effect."

The department noted that the cooperative activities STARS proposes to undertake should not have any adverse effect on competition. STARS members would represent 13 of the 69 operating commercial nuclear pressurized water reactors in the United States and 13 of the 104 operating commercial nuclear reactors in the United States. The STARS members, for the most part, are in separate geographic areas and do not compete against each other for the sale of electricity. In the two instances where members both have reactors in the same electricity transmission organization, the members' nuclear units are not likely to have an impact on price. The members will be prohibited from sharing competitively-sensitive pricing or marketing information.

The STARS Alliance participants are: Union Electric Co., with its Callaway plant in Missouri; Arizona Public Service Co., with its Palo Verde plant in Arizona; Luminant

Generation Company LLC, with its Comanche Peak plant in Texas; Pacific Gas and Electric Co., with its Diablo Canyon plant in California; Southern California Edison Co., with its San Onofre plant in California; STP Nuclear Operating Co., with its STP plant in Texas; and Wolf Creek Nuclear Operating Co., with its Wolf Creek plant in Kansas.

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 currently intends to challenge the action under the antitrust laws based on the information provided. The department reserves the right to challenge the proposed action under the antitrust laws if it produces anticompetitive effects.

A file containing the business review request and the department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 1010, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established under the Business Review Procedure.

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