

REMARKS  
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***Industry Readiness for New Nuclear Reactor Construction***

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Thank you, Chairman Klein and members of the Commission for inviting here for this most important discussion.

I come before you today, not just as the General President of the Ironworkers Union, but as a representative of the Building and Construction Trades Department, AFL-CIO.

The Building Trades Department is an alliance of 13 national and international unions which collectively represent 2.5 million skilled craft workers in the United States and Canada.

And in addition to the 13 unions officially affiliated with the Building Trades Department, we maintain corresponding relationships with the International Union of Operating Engineers and the United Brotherhood of Carpenters.

Suffice it to say, the men and women comprise America's Building Trades Unions are the safest, most highly trained and productive workforce known to mankind.

And that is a point worth noting as we come together here today to discuss whether or not the U.S. construction industry is ready to meet the challenges association with the construction of a new generation of nuclear power reactors.

From our perspective...I can give you a confident answer in the affirmative.

For we recognize that in the upcoming environment whereby Construction Operating Licenses will be issues, it will be part of the Nuclear Regulatory Commission's statutory responsibility to ensure and regulate a safe and healthy environment surrounding both the construction and the operation of these facilities.

We fully recognize that public confidence and credibility is critical in this regard...

And we are fully prepared to meet this challenge in a myriad of ways.

First, we operate the finest, and most comprehensive, training programs for skilled craftspeople at over one thousand facilities across this nation.

Collectively, our unions spend over \$750 million on this training.

And rest assured, safety and health is a primary component in this training infrastructure.

In fact, quality and safety are paramount in our culture.

[PAUSE]

But, in order to successfully meet the challenges associated with the construction of an entirely new generation of nuclear power facilities in this country, we have to deal with the realities associated with current and future workforce projections.

Put simply, the current supply of skilled crafts people is insufficient to meet projected demands.

At the core of this problem are a few root causes:

The first is **Demographics**.

Our current skilled workforce is aging and nearing retirement age.

Another root cause is **Economics**.

The North American construction industry has failed miserably to maintain levels of compensation that are necessary to attract the “best and the brightest.”

Lastly, we continue to witness a high proportion of the so-called “open shop” sector lagging behind the organized sector of our industry when it comes to making the necessary investments in sustained skilled workforce development and training.

In contrarian fashion, many open-shop contractors are pursuing a misguided strategy predicated upon building a cheap, low-wage, and exploitable workforce comprised of significant numbers of untrained, and in many cases undocumented, workers.

As you can imagine, the results of this strategy are predictable.

Unreliable, low-quality work fraught with safety and productivity issues.

Much of our industry’s short-term vision competes with its long-term needs.

Now, due to the current economic troubles that our nation is currently experiencing, the demand for skilled craft labor may actually fall...as the needed capital for certain heavy and industrial projects becomes scarce.

However, should the economy rebounds in a significant fashion over the next 18-24 months, we could easily return to a “perfect storm” scenario of high demand and low supply in the skilled construction labor market.

For the nuclear industry, that will be especially troubling.

13 of the 19 “First Movers” – those plants that will most likely move into construction phase first – are located in the Southeast or South central states.

Those are precisely the regions where labor shortages are expected to be the most challenging.

So, indulge me for a moment while I do a little math.

Each new reactor facility will require roughly 4,000 skilled crafts people at peak construction.

Let's be conservative and say that only half of the 19 "First Movers" – 9 or 10 of them – actually break ground.

Then, conservatively, the peak craft demand would be in the neighborhood of 36,000 to 40,000 workers.

If the craft ramp-up begins in 2010 – with Calvert Cliffs being the first – the projected overall peak would be sometime between 2012 and 2015.

And we need always to keep in mind that most of these planned facilities are to be located in remote, small-town and rural areas...

Where craft labor supply is smallest...

And where the challenge of providing the necessary skilled craft manpower will be the greatest.

So, what are America's Building Trades Unions prepared to do to meet these challenges?

First, you should know that we have performed a "critical needs analysis" focusing upon the construction of a 21<sup>st</sup> century nuclear power generation facility.

And we are engaged in on-going discussions with nuclear industry leaders...including utilities and contractors.

As a result of these discussions, the Building and Construction Trades Department is now developing the framework for a ground-breaking "Nuclear Power Construction Labor Agreement."

This framework is an unparalleled, no-nonsense approach that recognizes and makes a commitment to the national importance of nuclear power.

It is designed to address the many unique challenges of nuclear power construction...

And it is based upon a regional framework, rather than a single-site approach.

Perhaps most importantly, it is structured to maximize efficiencies and contain costs.

Specifically, the framework of this agreement will be designed to:

- Address shortages in one craft with available workers from another craft
- Allow 100% portability for outage work for the same owner, so that workers can be used in a manner the owner deems to be most effective. And if the same owner starts another project in the same region, the agreement would permit the contractor to transfer up to 20% of the workforce to “jump start” the new project.
- Mandate the use of apprentices and other sub-journeymen workers to contain unit costs and to encourage efficient crew composition.
- Establish on-site...or near-site...multi-craft training facilities in order to ensure a steady supply of qualified workers; to provide specialized training for journeymen and apprentices; and to provide a location for vendors to train and certify workers on the installation of specialized equipment.
- Provide a commitment to train nuclear plant operations and management personnel for a utility by integrating them into the construction phase and rotating them throughout the various

craft disciplines. This would provide a more well-rounded employee who understands in greater detail the workings of the entire facility.

- Mandate OSHA-10 safety certification for every employee as a condition of employment.

Finally, each project will be staffed with individual craft stewards who will be trained and certified in their union's "Code of Excellence" or "Accountability" program, and will be given complete authority to demand compliance with these programs.

Overall, we believe this agreement is a revolutionary concept that is already being met with rave reviews from industry leaders.

[PAUSE]

A lot has changed in the 30 years since our nation last built a nuclear power facility.

I truly hope, after my presence here today, that the Commission realizes that America's Building Trades Unions have changed as well.

What hasn't changed is our desire to be full partners in this crucial American endeavor.

Again, I would like to thank the Commission for giving me this opportunity to present these views.

I would welcome any questions you may have.