Background to Entergy's lockout at Massachusetts nuclear power plant

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Entergy Corporation's lockout at the Pilgrim Nuclear Power Station in Plymouth, Massachusetts, has focused renewed attention on the US nuclear power industry. The company escorted more than 240 members of Utility Workers Union of America (UWUA) Local 369 from the plant at midnight, June 5, after workers rejected a four-year contract that included deep cuts to health benefits and limited raises to 2 percent.

Louisiana-based Entergy has continued to haul in an estimated $1 million a day during the lockout. At facilities throughout the US, the nuclear power industry benefits from government subsidies of everything from construction costs to decommissioning. Similar to the actions at Cooper Tire and other companies, Entergy took an aggressive stance, locking workers out when they refused to submit to their draconian demands despite these huge profits.

A 2011 study by the Union of Concerned Scientists (UCS), "Nuclear Power: Still Not Viable without Subsidies," found that "Government subsidies to the nuclear power industry over the past fifty years have been so large in proportion to the value of the energy produced that in some cases it would have cost taxpayers less to simply buy kilowatts on the open market and give them away."

That Entergy has benefited from these subsidies is no surprise, given the roster of former federal officials now on its Board of Directors. Board members include former representative Billy Tauzin, who has raked in millions by lobbying for pharmaceutical companies; Alexis Herman, secretary of labor in the second Clinton administration; and former Arkansas senator Blanche Lincoln.

While in the US House, Tauzin chaired both the Committee on Energy and Commerce and the Subcommittee on Telecommunications, Trade and Consumer Affairs. Such "revolving doors" between government and corporations have become a commonplace in an economic system where any remaining trappings of democracy are subservient to profits.

Equally commonplace are mealy-mouthed denials of wrongdoing by corporate spokespersons. After radioactive tritium was found in the Connecticut River because of leaks in ground pipes at the Vermont Yankee plant, Entergy told the Vermont Public Service Board in sworn testimony that such pipes did not even exist. An Entergy spokesperson was forced to tell Vermont Public Radio afterward that the perjured testimony was a "miscommunication."

Vermont Yankee, like the Pilgrim plant in Massachusetts, was built in the early 1970s. Entergy, which changed its name from Middle South Utilities, Inc. in 1989, bought Pilgrim in 1999 and Vermont Yankee in 2002.

Entergy has sacrificed safety during the Pilgrim lockout as well, keeping workers with years of experience out of the plant and replacing them with management and contract personnel with minimal training. The *Boston Globe* reported last Saturday that Entergy had postponed a quarterly safety drill inside the plant because of the lockout. In Orwellian language, a company spokeswoman told the *Globe* that the safety drill had been postponed "so we could focus all our resources on the safe operation of the Pilgrim station."

Along with other owners of nuclear power plants, Entergy is operating reactors insulated with an old fire protection material that is actually flammable, according to the web site www.enformable.com. Along with shortages of fire extinguishers and fire detection systems, this material puts workers' lives at danger.

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Enformable writes that “since the workers will likely encounter smoke, fire or intense radiation,” putting out fires in these plants is “‘potentially a suicide mission,’” quoting an antinuclear activist.

While putting workers’ livelihoods and lives at risk for the sake of profits, Entergy is not averse to spending money on search engine optimization for its various web sites. Five of the top six results of a Google search for the terms “Entergy safety” return pages boasting of the company’s safety record.

The UCS report looks at nuclear power subsidies industry-wide, and does not analyze individual operators. However, it does categorize operators as either Publicly Owned Utilities (POUs) or Investor-Owned Utilities (IOUs). The report calculates subsidies in terms of cents per kilowatt-hour (kWh), and calculates that industry-owned plants—both existing and new—benefit more lucratively from subsidies than publicly owned plants.

Even “legacy” subsidies—many of which have been in place since the 1950s—cost the government an estimated 7 cents per kWh. The report points out that this amount is “equal to about 140 percent of the average wholesale price of power from 1960 to 2008.”

Not satisfied with these bailouts of their existing operations, plant owners are lobbying for more. Two bills introduced in the US Senate in 2009—the American Power Act and the American Clean Energy Leadership Act—proposed the following: tripling of the amount of federal loan guarantees available from the Department of Energy, from $18.5 billion to $54 billion; increasing the amount of federal risk insurance, which insures operators against regulatory costs; and shortening the accounting period for reactor depreciation to five years.

Shortening the depreciation period would save companies millions of dollars in income taxes when new reactors first go online. Even the current period of 15 years is a benefit to operators, as the expected useful life of reactors is at least 40 years.

While using Iran’s uranium enrichment program as a pretext for war, the US government is generous with its own enrichment and mining subsidies. Uranium miners in the US do not need to pay royalties to the federal government, and Congress has made $4 billion in loan guarantees available to “new plants that add enrichment capacity,” according to the UCS report. In addition, “environmental remediation costs at some U.S. uranium milling sites actually exceeded the market value of the ore extracted.”

Construction and operating subsidies are not the only ones provided by the government to operators. The report calculated that total subsidies for waste storage and future decommissioning expenses “amount to between 0.29 and 1.09 ¢/kWh for existing reactors and between 0.13 and 0.54 ¢/kWh for new reactors.”

The report also notes that the nuclear power industry uses its subsidized—and therefore lower—rates to argue that its power is cheaper than solar, wind, and other alternative energies.

Entergy recently won from the NRC a 20-year renewal of the license for the Pilgrim Station, despite opposition from community groups. However, the state of Vermont is trying to block the continued operation of the Vermont Yankee plant, which also had its NRC license recently renewed. A decision handed down this month by the US Court of Appeals for the Second Circuit reversed a District Court decision saying that the state legislature could not keep the plant from operating.

The appeals court found that, while federal law gives jurisdiction over radiation licensing to the NRC, a state can nonetheless stop plant operation for other reasons. Vermont had been drawing up plans, as far back as 1988, to develop other energy resources and phase out nuclear power. It recently passed legislation that refused to renew Vermont Yankee’s Certificate of Public Good beyond April 2012.

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