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Precision Custom Components, LLC (PCC), located in York, PA, is one of only two remaining U.S. companies that have manufactured nuclear reactor vessels, steam generators, and other primary nuclear plant equipment. PCC manufactured reactor vessel internals for Shippingport Unit 1, the first commercial nuclear power plant in the U.S., and is currently manufacturing reactor and pump components for Westinghouse's Generation III+ AP1000 units in China and the U.S. Today's remarks are offered from the perspective of one of the original nuclear power plant equipment manufacturers still active in the industry.

When the nuclear power industry was born over 50 years ago, the U.S. became the free world's leader in the development of design, manufacturing, and construction of the required technology and infrastructure. It did not happen overnight and was largely developed from scratch. Today, we face different technological and market challenges. The rest of the world is developing significant capability in the nuclear industry driven by ambitious domestic nuclear power generation expansion plans. The U.S. has some limitations in manufacturing capability, but significant untapped existing capacity exists to meet both current needs and incremental need driven by expansion of the nuclear portion of the electrical generation portfolio.

Critical manufacturing infrastructure additions such as large forging facilities have been constructed or announced by Japan, Korea, India, Russia, China, and the U.K. If they are all built and staffed adequately, there should be sufficient worldwide capability and capacity to supply these components. Conspicuous by our absence is the U.S., which no longer has this capability as a result of domestic demand having disappeared during the 25 year pause in U.S. nuclear power plant construction. This means that critical reactor vessel and steam generator raw material will have to continue be sourced from one of these countries. Another critical issue is that the capacity and depth of the supply chain in these countries continues to grow while the U.S. supply chain stagnates. However, if the rate of U.S. project expansion is sufficient, this capability could be regained on U.S. soil, albeit potentially not wholly US-owned.

Aside from the large forging-based components of new nuclear power plants, the majority of the remaining safety-related and non-safety-related components are within the capability of U.S. manufacturers. Further, there is significant available U.S. capacity to support both the current and an expanded market. A number of U.S. manufacturers have already added buildings and equipment to support the prospect of a U.S. Nuclear Renaissance (which now appears slow to materialize). Graduates of nuclear science and engineering programs from existing U.S. universities have also increased in recent years which have helped enable workforce growth at Westinghouse and other U.S.-based nuclear technology designers and developers.

Certain government actions would assist with development of the U.S. manufacturing, workforce, and technical capability and capacity base. First is expansion of a viable loan guarantee program to support construction of the first several generation III/III+ nuclear power plants and Small Modular Reactors. Utility shareholders, ratepayers, and financial markets must see evidence that we can build plants on time and on budget this time around. (The industry already demonstrated 20+ years of safe and reliable nuclear power plant operation.) After this initial "show me" phase of the Nuclear Renaissance and assuming carbon emissions remain an economic liability, the demand created by new plant construction will justify expansion of supply chain capability and capacity. Second, continued support of the Navy nuclear and shipbuilding programs, via funding

of the ongoing aircraft carrier and submarine programs, along with support of certain DOE nuclear programs are critical to maintain much of the same industrial base that has the skills, capacity, and quality culture necessary to continue to support the commercial nuclear industry. Third, after it is clear that the Nuclear Renaissance is on track, additional incentives (e.g., investment tax credits) will enhance the rate at which U.S. capability and capacity will be added. Fourth, from a trade policy standpoint a level playing field must be maintained so that foreign competitors can not exploit unfair advantages offered them by their governments for components offered for sale in the U.S.