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CHANGING INDUSTRIAL RELATIONS PROBLEMS IN ATOMIC ENERGY

BY OSCAR S. SMITH

Director, Office of Industrial Relations, United States Atomic Energy Commission

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CHANGING INDUSTRIAL RELATIONS PROBLEMS IN ATOMIC ENERGY

by

Oscar S. Smith

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In about fifteen years, atomic energy has passed through a wartime phase, a transition to an uncertain peacetime, a tremendous expansion, and now it is fostering the development of an industrial atom at home and a peaceful atom abroad. Each of these phases has brought its own characteristic problems in industrial relations as well as in technical areas. I will comment briefly on a few selected problem areas, with some emphasis on their changing character:

1. Freedom of Association and Security

 Some years ago, we were much concerned over an apparent conflict between the absolute need to restrict dissemination of information of military importance and the use of some such information in resolution of collective bargaining units, of grievances, of workmen's compensation claims, of labor disputes, etc. We have moved from a wartime deferment of union recognition through a transition period of specially cleared union and company representatives, mediators and arbitrators, to a basis where today most matters of employer-employee relations are on a completely unclassified basis. This has been
possible because of (a) changes in the international scene which permitted declassification of much information, and (b) procedures designed to give due recognition to the need by appropriate management and union officials to have access to information important in resolution of employer-employee matters.

2. **Freedom to Manage and to Bargain Collectively**

Prior to 1954, practically all atomic energy plants were owned by the government and operated by cost-reimbursed contractors who engaged the employees. A recent Bureau of Labor Statistics estimate indicates that some 175,000 persons are now engaged in atomic energy work; 115,000 of them still work for Atomic Energy Commission contractors. As expenditures must be reviewed to assure that government funds are not used improvidently, a question arises as to the extent of delegation to commit government funds that can be made to the participants at the collective bargaining table. Clearly, the Labor Management Relations Act does not contemplate a third party at the bargaining table, or beyond. We have looked with disfavor on work stoppages, which further complicates the problem. For reasons relating both to capacity to produce and to the nature of the technological processes, we have felt the same risk of work stoppages could not be faced in this program as exists elsewhere in industry. The strong military characteristics of the program have resulted in a tendency to regard employees as quasi-public even though engaged by private contractors. Also, the cost-reimbursed operation has a psychological impact on the participants. While it has been alleged that some labor leaders see in this arrangement an opportunity to reap an abundant
harvest for employees, it seems clear that many labor leaders feel at a disadvantage and believe the cost-reimbursed system encourages arbitrariness by management. Management is quite vocal in insisting that the freedom to manage must include the freedom and, in management's view, the right to take a strike. We have placed emphasis on (a) a moral responsibility arising from participation in the program; (b) the negotiation of effective grievance procedures; and (c) the value of joint determination of conditions through negotiation by the parties. We believe that the values of collective bargaining which we should try to preserve are (1) participation in the determination of conditions of employment by the persons directly involved, and (2) a method of participation whereby the parties assume responsibility for agreeing among themselves on these conditions. The latter distinguishes negotiation from arbitration. Arbitration provides some participation and thus some of the value of collective bargaining. However, in arbitration the participants assume the role of litigants rather than of persons seeking to reconcile differences by agreement. The results of arbitration may be as reasonable and just as the results from negotiation, but agreement provides a better base for day-to-day working relationships and makes for more responsibility in the daily administration of established conditions. We have provided special mediation machinery which falls short of arbitration but does contemplate recommendations by a special panel of experts with substantial stature in the field for those cases where normal conciliation fails.


Federal labor standards affecting contract work include, among others, the Eight Hour Law, the Davis-Bacon Act, the Fair Labor Standards Act, and the Executive Order on nondiscrimination.
Nondiscrimination

When the wartime atomic energy program was commenced, the Army felt it desirable to adopt practices consistent with those in the local communities. Accordingly, the community and the plants at Oak Ridge were segregated, with separate facilities provided for colored and white. The Atomic Energy Commission, at the outset, established a nondiscrimination policy and in new plants provided only integrated facilities. For instance, when the Savannah River Plant was started in South Carolina, there was no separation of wash rooms, toilets, or other facilities as between white and colored. Since the formation of the President's Committee on Government Contracts in 1951, AEC has reinforced its own nondiscrimination policy with the policy of the Executive Order and the procedures of the Committee. In due course, desegregation of both plants and facilities has occurred in those instances where they originally were segregated. We believe we have accomplished a reasonable measure of nondiscrimination and that persons are hired on the basis of qualifications without regard to race. Of course, the mix of workers necessarily reflects the training and economic status of the manpower supply. Until our minority and majority groups are on a par in these respects, there will be continued need to be alert to assure nondiscriminatory practices.

Eight Hour Law

The Eight Hour Law, which dates back to 1892, applies to most Atomic Energy Contracts and since 1917 has provided that no laborer or mechanic shall be permitted to work more than eight hours in any one calendar day unless he is paid time and one-half for time in excess of the basic eight. Twenty-one years after the overtime amendment of the
Eight Hour Law, in 1938, the Congress passed another law of much broader coverage, the Fair Labor Standards Act, which requires the payment of not less than one and one-half times the base rate for work in excess of forty hours in any one work week. To the extent the laws parallel each other, the Eight Hour Law may now be regarded as more or less redundant. However, there are some important differences, particularly in the matter of penalties applicable when violations occur.

**Fair Labor Standards Act**

Prior to the Vollmer decision a few years ago, it was assumed that construction generally was not covered by the Fair Labor Standards Act and that the Eight Hour Law alone limited hours of work on government construction. The Vollmer decision, however, not only made the Eight Hour Law somewhat superfluous, but a variety of new problems was created for construction work. The administration of the Wage Hour Law for some eighteen years had been geared to operating plants. Certain fringes, such as shift differential, were by interpretation included as a part of the base rate in determining the overtime rate. In construction, the usual method of allowing a shift premium is to shorten the hours of the shift rather than to add a percentage or cents-per-hour differential to the rate, i.e., eight hours' pay for seven hours' work. The construction worker moves from job to job with no fixed place of employment. He cannot, like the plant worker, establish permanent residence in proximity to his work. Consequently, some special allowances have been developed in this industry to compensate for this situation. Application of the FLSA interpretations developed
for plants might require the inclusion of location differentials used on construction within the wage rate for purposes of computing overtime. As most construction carries a double-time premium rate, the problems are minimized, but some such issues are still unresolved, both on our construction and throughout the construction industry.

**Davis-Bacon Act**

The Davis-Bacon Act probably consumes more effort on the part of federal contracting agencies than any other labor requirement. This law dates from 1931 and requires that the minimum wages to be paid laborers and mechanics on the construction, alteration, and/or repair of public buildings or public works shall be based upon a predetermination made by the Secretary of Labor as to the wages prevailing in the area, i.e., an appropriate political subdivision, for corresponding classes of employees on similar projects. The general philosophy of this law is quite different from that of the Wage Hour Law, which followed seven years later and, as I have indicated, now in most situations applies to the same people. Davis-Bacon provides an actual job minimum for each classification, whereas Wage Hour provides a single minimum rate below which no employee may be engaged. Davis-Bacon rates determined by the Secretary are actual rates for each classification of worker employed. In practice, they are taken from local construction union agreements. Despite economic and industrial changes between 1931 and 1958, only inconsequential changes have been made in the law, and government contracting involving the construction, alteration, and/or repair of public works is still carried on under a 1931 design. The problems are manifold.
Construction employees are dissatisfied because the Secretary of Labor does not include fringes in the predetermination. Bar Association lawyers argue legal points as to whether the repair of airplanes, ships, and moveable objects constitutes the repair of public works or only of personal property; shop lawyers raise questions of job classification, union jurisdiction, like work, and appropriate areas. Public officials disagree with the Secretary as to political subdivisions; operating plant managers and plant unions become engaged in controversies as to whether plant maintenance work is "maintenance" to be done under negotiated plant conditions or whether it is "repair" to be done under construction rates set by the Secretary. Herein lies the most prevalent problem.

Of course the designers of the law in 1931 could not have been expected to anticipate that one of the major issues of the late 1950's would be whether maintenance and repair "belongs" to industrial plant unions or to craft construction unions. In our experience we have had as many as 100 or more specific "maintenance" or "repair" items in controversy at one time in a single plant. Each session of Congress sees a number of bills introduced for updating the Davis-Bacon Act, but there is wide disagreement as to what should be done, with the result that no action occurs.

4. Training of Personnel

In the development of a new technology such as atomic energy, training is a very large field, particularly if training is defined to include specialized education. Considerable Commission funds and effort are directed toward encouraging technical training in the
nuclear field and in various forms of assistance to colleges and universities interested in this field. However, the area of the most appeal to you may be at the trade or vocational level. In the interest of time, we might narrow this to (1) apprenticeship and skill training, and (2) training in radiological safety.

Apprenticeship

You are aware of the general pattern of journeyman training that exists in the skilled trades, particularly in construction. A community joint apprenticeship committee is set up by agreement between employers and the skilled trades unions. In some crafts, the programs are developed nationally between the international unions and the national employers' associations and administered through the local committees. In other crafts, apprenticeship is largely a local community matter. Very large construction projects are usually built by so-called national contractors. While these contractors usually belong to national construction employers' organizations, they may not participate in the local organizations because of the relatively short time they expect to be in the area. Large atomic energy projects were developed in areas where the supply of skilled labor was extremely small. In our period of expansion, an excessive demand for skilled manpower was being made both upon the local community and upon areas far distant. As work was scheduled to last for several years, it appeared in order to establish apprentice programs on our jobs where such programs did not exist locally. It was recognized that the apprenticeship might not be finished before the conclusion of the job, but the craft unions were willing to go ahead on the basis that opportunity would be offered apprentices to continue their apprenticeship to completion at some other location.
Skill Training

The 1954 amendments to the Atomic Energy Act instituted a program of licensing radioactive and fissionable material for use by private industry. Even before this, however, some unions had become interested in determining what new or additional skill training was needed for what they anticipated would be a new industry. The Boilermakers, who had just had a near disastrous experience with dieselization of the railroads, were the first to take a serious look at atomic energy skill training. They were followed shortly by the Steamfitters. Although several others have more recently turned their attention to this area, the programs of the Boilermakers and the Fitters stand out. Both of these unions have held innumerable appreciation and orientation programs in atomic energy throughout the country for their memberships. Both are incorporating training on the higher tolerances needed and on radiological safety in their apprentice and skill training programs.

Radiological Safety

Substantial training programs in radiological safety, of course, had been developed and were carried on by our contractors for their employees before 1954. With the development of the licensing program, several additional needs for radiological safety training became apparent. For instance, there was a need for training (1) in private power reactor stations, and (2) of people in proximity to smaller sources of radioactive material, such as users of isotopes. Further, with the increased volume of radioactive and fissionable materials being transported, employees of transportation companies need to know what to do in event of accident. Public safety personnel also need to know how to cope with accidents involving radioactive or
fissionable material. We are just beginning to get hold of this problem.

In addition to cooperating in programs such as those of the Boilermakers and the Fitters, which I mentioned, we are developing some course material for use in the vocational schools. Schools in Minnesota, California, and Pennsylvania are offering such courses this spring. In addition, we have a special instructor training program for fire school instructors which we have been offering for about two years.

5. Workmen's Compensation

During the war, the degree of secrecy was so high that private insurance could not be purchased, and it was felt necessary to set up a special benefit plan to cover injury or disease peculiar to atomic energy work. Workmen's compensation was provided through a special cost arrangement with insurance companies, under which they paid claims based upon information furnished by government insurance people. After the war, the special benefit plan was no longer offered, as private insurance could now be purchased. Sufficient security changes had been made to permit insurance companies to establish premiums, etc. However, as compensation laws in many states did not cover all forms of occupational disease, and sometimes limited the amount of medical payment, a policy was adopted under which contractors in such states were required to purchase supplemental medical benefits and extended coverage for all occupational disease cases. Such a policy, of course, can not extend to licensees and, with the use of radioactive materials outside of the Commission's own plants, a question now arises as to what the federal government can or should do in respect to improvements in compensation coverage for employees outside the government-owned plants. The Labor
Department and the AEC discussed the matter with the Council of State Governments with the result that the Council proposed a substantial legislative program in this field for 1959 for the various states.

The factor that distinguishes the nuclear field from other fields is radiation, and radiation-related injury is the peculiar dimension to consider when looking at workmen's compensation in nuclear plants. It may be pertinent to note that the injury experience in the contract-operated atomic energy plants has been so favorable that one could easily conclude that, when operated within established safety practices, atomic energy plants are among the safest places to work in all industry. The AEC frequency—that is, the number of lost-time injuries per million man-hours worked—in recent years has run at about 1.75. This compares with recently reported annual frequency rates for the petroleum industry of 7.05 and 3.55 for the chemical industry. When radiation-related injury alone is considered, the record is even better. Total man-hours worked since the beginning of the program are about 1 and 3/4 billion. There have been thirty-five lost-time injuries due to radiation out of a total of 5,650 for all causes. It may be interesting to examine the thirty-five injuries in more detail. In thirty-four of the thirty-five (including three deaths), the lost time followed immediately after the exposure. Eleven of the thirty-four at no time have shown any clinically diagnosed injury but were reported as lost-time injuries because the employees were away from work for diagnostic purposes for more than a full shift. This is consistent with the American Standards Association standard reporting procedures. Twenty showed some immediate manifestation of injury, such as skin rash, loss of hair, burns, loss of hearing, nausea and vomiting. In these twenty,
of course, there was no unconventional workmen's compensation problem presented. The injury followed an accident, was readily diagnosed, and the causal relation seemed clear. Existing workmen's compensation laws of every state do cover such situations. Two of the twenty, however, may be developing later complications. This brings us to the fact that there is another category of radiation disability that is somewhat less conventional. Disability may also occur after a considerable period of latency. It is possible for the effects of a large exposure to have a long delayed emergence or for disability to follow repeated exposures of rather small amounts of radiation, each of little consequence by itself but with the accumulation adding up to a substantial amount. One of the thirty-five reported injury cases is a death from leukemia. Some question may exist as to whether this actually should be charged against the atomic energy program. The record indicates that the individual had been involved in accidental exposure from some other source of radiation well before his employment with atomic energy. The workmen's compensation commission found that the cause of the leukemia was acute and chronic exposure to ionizing radiation during the course of his work without, so far as I have determined, identifying the time of the exposure. This type of case does present some special problems in workmen's compensation. These problems relate both to the adequacy of the legal structure within which the disability arises and to the difficulty of determining the causal relationship between exposure and subsequent, but delayed, disability.
In the legislative program which I mentioned, the Council of State Governments identified ten inadequacies that appear with some frequency in existing compensation laws and which have a special significance in respect to radiation. For nine of these, the Council made a specific recommendation to the states. The tenth--that of extra-territoriality--was reserved for further consideration by the Council. While all of these recommendations are significant, five deserve special comment:

1. That there be full coverage of all occupational diseases in all states.

At present, three states have no coverage of occupational disease. Delayed emergence disabilities related to radiation would not be covered in these states. Eighteen states have schedules which cover some but not all occupational diseases; and twenty-eight states and the District of Columbia have full coverage of all occupational diseases. Of the eighteen states with schedule coverage, eight fail to cover any radiation, and three others cover some, but not all, forms of radiation.

2. That the time limit for filing claim in occupational disease cases be based on date of worker's knowledge of the nature of his disability and its relation to his job and after disablement.

This recommendation is designed, of course, to meet the problem of the delayed emergence of manifestation of injury. The existing laws of only two states (California and New York) meet the Council's proposed provision.

3. That full medical benefits for both accidental injuries and occupational diseases be provided by laws.

Fourteen states now have limits on the amount of medical care that may be furnished to a worker involved in an injury from accident,
and twenty-three states limit the care that may be furnished in cases of occupational disease.

4. That the workmen's compensation agency be given authority to supervise medical care so that specialized treatment may be given in all cases where it is deemed necessary.

The Council felt it important that authority exist to supervise and require specialized treatment, particularly in occupational disease cases such as those resulting from radiation. Twenty-nine states and the District of Columbia now provide such authority to the workmen's compensation agency; twenty states do not.

5. That special maintenance benefits be provided during the period of rehabilitation.

Only fourteen states and the District of Columbia now include any provision for such benefits. The Council's intention was to recommend a clause that, among other purposes, was broad enough to include the expenses of any needed retraining for employees who upon medical advice had to be reassigned from radiation work to occupations where radiation was not present.

The Council was specific in its recommendation that the suggested legislation be applied across the board to cover all forms of occupational disease, not merely radiation-related disability. This recommendation took into account the important, but sometimes overlooked, fact that there are other sources of disease with a long delayed emergence. Some of these are well known, and include silicosis; asbestosis; continued exposure to compressed air, arsenic, benzol, beryllium, cadmium, chrome, fluorine, and like metals and chemicals. If the standards proposed by the Council of State Governments were met in all jurisdictions, most workmen's compensation problems of special significance to radiation
would in large part be taken care of. The qualification "in large part" is used because some laws have a variety of special exemptions covering organizations such as hospitals, colleges, some kinds of research institutions, etc., many of which are users of radiation. To cover all of these, action beyond that recommended by the Council is, of course, required; and the Council, in its report, indicated a number of other areas, including the area of administrative procedures and record-keeping, which it has under further study.

Summary

To sum up now, I have covered a number of subjects rather superficially. I have mentioned security impact and have said this is not a problem in AEC industrial relations today. Most of the earlier problems in this area have been resolved. I have commented briefly on collective bargaining under a cost-reimbursed operation and have noted a continuing inconsistency between our normal concept of collective bargaining and the cost-reimbursement process. In spite of this, we have been able to make collective bargaining work fairly well.

Disputes settlement and continuity of employment, of course, will continue to be a subject needing regular attention. We feel we have done fairly well in the area of nondiscrimination. My comments on the Eight Hour Law, the Davis-Bacon Act, and the Fair Labor Standards Act suggest a need for updating such statutes in order to keep them effective instruments to meet changing economic conditions. In respect to workmen's compensation, I have indicated some areas in which this system has failed to keep up with current needs, the stop-gap measures taken by AEC, and some of the significant steps needed to update the workmen's compensation system if it is to serve its purpose at all well.