

Natural Resources Defense Council, Physicians for Social Responsibility, Nuclear Watch New Mexico, Tri-Valley CAREs and Individual Plaintiffs

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Suit Challenges Legality of Proposed Kansas City Nuclear Weapons Plant

Federal agencies charged with evading cleanup of existing site while pursuing illegal “third-party” financing for new bomb plant

Citizens Groups Allege “Sinkhole in a Soybean Field” for Taxpayers

Washington, DC (October 9, 2008) – In response to a joint refusal by the General Services Administration (GSA) and the Department of Energy’s National Nuclear Security Administration (NNSA) to consider the significant environmental impacts of moving a critical nuclear weapon production facility to a new location, yesterday a coalition of environmental and peace organizations asked a federal court in Washington, D.C. to set aside the new plant project and direct the agencies to prepare a new environmental analysis of site-cleanup and relocation alternatives for the existing Kansas City Plant (KCP).

For more than fifty years the Department of Energy (DOE) has used the current KCP – located in the Bannister Federal Complex in Kansas City, Missouri – to manufacture and procure the non-nuclear components of nuclear weapons, which comprise approximately 85% of the total parts in each weapon. The suit alleges that decades of DOE activities at the KCP have generated significant amounts of hazardous contamination that must be properly treated and remediated to protect the local environment, especially groundwater. The KCP is located in a flood plain at the confluence of Indian Creek and the Blue River, and the plant’s southern boundary has to be protected by a flood wall. Fish in the area are so full of polychlorinated biphenyls (“PCBs”) from the plant that the State of Missouri warns fisherman not to eat them.

“Despite this toxic legacy,” said Kansas City plaintiff Ann Suellentrop, “both GSA and NNSA are seeking to abandon the Bannister Complex without considering the comprehensive site cleanup, costing hundreds of millions of dollars, which everyone recognizes will be necessary to allow economic redevelopment of the site.” Suellentrop is the local chapter spokesperson for plaintiff Physicians for Social Responsibility (PSR), the U.S. affiliate of the Nobel Peace Prize winning International Physicians for the Prevention of Nuclear War.

“At a time when Congress is trying to reduce the costs and environmental footprint of the nuclear weapons complex, a cabal of regional federal agency officials and private developers is trying to hoodwink both federal and local taxpayers into footing the bill for a huge new plant for nuclear weapons production on what is now 185 acres of vacant agricultural land at the southwestern edge of Kansas City,” said Christopher Paine, Nuclear Program Director for the Natural Resources Defense Council (NRDC), the lead plaintiff in the suit.

“Alaska has its ‘Bridge to Nowhere,’” Paine added, “and now it seems, Kansas City has its very own Sinkhole in a Soybean Field for taxpayers. The defense committees of Congress have not authorized construction of this plant, nor have they appropriated the necessary funds. I think American taxpayers are getting tired of these fleecing schemes.”

“The last time I looked, the Constitution still gave Congress the exclusive power to pay the debts and provide for the common defense of the United States,” said Jay Coghlan, executive director of Nuclear Watch New Mexico, a co-plaintiff in the suit. “So why is Kansas City’s Planned Industrial Expansion Authority using its power to issue bonds and tax abatements for ‘urban blight removal’ to finance a huge new federal nuclear weapons production facility? Since when do soybeans in the suburbs constitute urban blight?” he added.

Coghlan noted that the national security requirement for the new plant was highly dubious, especially given congressional rejection of new-design nuclear weapons, for which KCP planned to build the non-nuclear parts. “The existing Kansas City Plant receives consistently high ratings for the quality of its workforce and product. If they want a smaller, better equipped plant, they could continue to downsize in place along the pathway that DOE approved 10 years ago, but the Bush Administration failed to fully implement. In the future, after hoped-for deep global reductions in nuclear weapons stockpiles, NNSA can pursue shrinking and consolidating essential stockpile maintenance operations to its other sites engaged in similar work, thereby reducing site security, transportation, and overhead costs to the taxpayer.”

The suit alleges that in their zeal to use a byzantine private-developer scheme to finance and build a brand new Kansas City Plant eight miles from the old one, GSA and NNSA got ahead of themselves and violated several Federal laws, including the National Environmental Policy Act, the Public Buildings Act, and the Anti-Deficiency Act. The complex financing scheme calls for GSA to sign a 20 year “build-to-suit” lease on behalf of NNSA with a private real estate developer, who would then pledge this revenue stream as security to the Kansas City Planned Industrial Expansion Authority (PIEA). The PIEA would issue bonds and tax abatements that in combination with private sources would finance the approximately \$500 million cost of construction for NNSA/Honeywell’s new campus and the \$40 million in public infrastructure improvements the project would require. PIEA would hold title to the facility until the annual lease payments, which would flow from NNSA to GSA to the developer and finally to the PIEA, repay the principal and interest on the bonds, at which time ownership of the facility would transfer to the private developer.

“The financial maneuver that puts future federal taxpayers on the hook for this supposedly ‘private’ venture is GSA’s 20 year ‘firm’ capital lease,” noted Paine. “It’s worth some \$1.2 billion over twenty years, while the cost of the nuclear campus buildings themselves is pegged at about \$500 million. That’s a pretty hefty cut to cover the private developer’s operating costs and profit, and interest to the PIEA bondholders. And that’s money that won’t be going to finance local schools and real economic redevelopment downtown.”

Plaintiff Henry Stoeber, a Kansas City attorney, called the urban blight rationale for the PIEA’s involvement “preposterous.” He added, “Even if it could be sustained in a court of law, which I doubt, one has to ask whether building a new factory for city-destroying weapons of mass destruction is really a morally acceptable job creation strategy for Kansas City to be pursuing. And make no mistake, in effect the Kansas City municipal government will own that nuclear weapons production plant through the PIEA until it is turned over to the private developers. Here we are at the edge of the largest potential wind power and bio-fuels corridor in the world, but owning a nuclear weapons production plant is the future jobs strategy these city officials come up with? The citizens of this area deserve better from their leaders.”

Along with their agency heads, local federal officials Bradley M. Scott, Regional Administrator for the GSA, and Steven Taylor, Manager of NNSA’s Kansas City Site Office, are named as defendants in the suit.

Marylia Kelley, the executive director of Tri-Valley CAREs (Communities Against a Radioactive Environment) in Livermore, CA, another co-plaintiff in the suit, said “the illegal and unseemly haste of GSA and NNSA to push this stealthy pork project out the door may be related to the two ongoing nuclear weapons policy reviews ordered by Congress last year, and to the prospect of a new Administration in

January that many expect to take more vigorous actions to achieve further deep nuclear weapons reductions and shrink the nuclear weapons complex.”

“The new President and Congress may not appreciate being handcuffed in this manner by overeager federal bureaucrats and developers at the regional level,” Kelley added. “This scheme could turn out to be a financial disaster for Kansas City if official Washington turns against project, which could very well happen in a few months.”

The plaintiffs in the suit are being represented by the firm of Meyer, Glitzenstein and Crystal, Washington, D.C.

To view the complaint, an artist’s rendering of the new Kansas City Nuclear Weapons Plant and a map of contaminated groundwater at the old plant go to <http://www.nukewatch.org/KCNukePlant/index.html>