Kansas City and the U.S. Nuclear Weapons Complex

Jay Coghlan
Executive Director, Nuclear Watch New Mexico
August 14, 2010

Please visit www.nukewatch.org for this presentation and much more on the Kansas City Plant, the Los Alamos National Laboratory, nuclear weapons policies and the research and production complex.
Dollars are in $1,000's of constant 2010 dollars; therefore the vertical scale is from $3 to $10 billion. The start of the horizontal scale, 1989, is the year that the Berlin Wall fell. The 2011 amount is DOE's budget request for nuclear weapons research, testing and production programs. 2012-2018 amounts are from "Maintaining a Strong Nuclear Deterrent" submitted by the Obama administration to Congress in May 2010. The Cold War annual average is derived from "Atomic Audit," Steve Schwartz et al, Brookings Institute Press, 1998. None of these costs include Defense Dept. deployment and maintenance of a >5,000 nuclear warhead arsenal, currently estimated at ~$30 billion per year.

Nuclear Watch New Mexico – 551 W. Cordova Rd. #808, Santa Fe, NM 87505– 505.989.7342
info@nukewatch.org - www.nukewatch.org/watchblog/
www.facebook.com/pages/Nuclear-Watch-New-Mexico/121188401241139/
How the Complex Works

Lawrence Livermore National Laboratory
Designs nuclear and nonnuclear components

Sandia National Laboratories
Primary designer of nonnuclear components

Los Alamos National Laboratory
Designs nuclear and nonnuclear components

Private suppliers
KCP outsources the production of select nonnuclear parts and components to private suppliers
May 2006: 54% Produced at KCP, 46% Outsourced
September 2011: 70% Produced at KCP, 30% Outsourced

Kansas City Plant
Produces or procures nonnuclear components

Pantex Plant
Assembles nuclear weapons using nonnuclear components from KCP and nuclear components from other NNSA sites

Other production sites within the nuclear weapons complex
- Savannah River Site
- Y-12 Plant

Department of Defense

Source: GAO analysis of NNSA and KCP data.
With these new facilities, the US will spend $9 billion and expand its current annual nuclear warhead production capacity from 20 to 80 per year.
KCP is NNSA’s Most Productive Facility

KCP produces and/or procures 100,000 parts annually, that is 85% of all components that go into a nuclear warhead by both type and quantity.
W76 LEP Creates a Weapon with New Military Characteristics

New **Arming Fusing & Firing** system being produced now at the Kansas City Plant is believed to endow the warhead with a selectable height of burst.
Kansas City Will Own a Federal Nuclear Weapons Plant

Kansas City will own a new federal nuclear weapons production plant for the next 20 years, after which, private developers will gain ownership of the plant. Is this the best deal for the American Taxpayer?
Costs/Savings?

- Justification for new facility was claimed $100M/yr savings
  - ~$100M in transition costs since 2009
  - Transition costs will continue through 2015

- $37M/yr will be saved with a stroke of the pen by changing security designation (GAO-10-115)
  - Because it does not possess weapons-grade nuclear material
Flawed Life Cycle Cost Estimate
Covers only 20 years

- GSA Lease Estimate = $4.762B
- Congressional Line Item = $4.875B

Leasing is more costly over the long term than constructing and owning a facility. Break even point is 22 years.

- Current LEP work scheduled to 2042.
- Building could last 40-60 years

(GAO-10-115)
Bonds Placed -> Land Sale (CPZ to PIEA) -> Construction (2010-2012)

CPZ Owns -> CPZ Leases to NNSA

20 Years CPZ Owns CPZ Leases to NNSA

NNSA (Sub-sub-sub?) -> GSA Sub-Sublease

PIEA/ Ground Lease CPZ

Developer Sublease CPZ
PIEA Placed Bonds

PIEA [Planned Industrial Expansion Authority of Kansas City] raised $687 million for building construction though the Industrial Development Authority

- $45 million budgeted for Highway Interchange
Land Transferred to PIEA

PIEA will own the Land and the Project Improvements for 20 years

- 165 acres at HWY 150 and Botts Road
- Former producing soybean field
  - Condemned as “blighted”
- $5 million to CPZ Holding, LLC for land
  - $26K+ per acre!
  - Recent sales of farmland in the area range from $2 to $4K/acre
From Beans to Bombs

“In the interest of the public health, safety, morals or welfare of the residents,” a soybean field was declared blighted for municipal tax breaks for private developers.

Quote from *Missouri Revised Statutes, Industrial Development, Section 100.320, August 28, 2007.*

“A view to the southwest in the central portion of the redevelopment area.”

(Photograph No. 4, Blight Study, May 20, 2008)
Developer/Construction

Developer is Center Point Zimmer (CPZ)

- 1.5 million square feet
- ~$520M construction costs
  - (June 2009 estimate)
- “Environmentally-friendly” nuclear weapons component plant

General contractor is J.E. Dunn
PIEA/Ground Lease

PIEA will lease the Project to the “Ground Lessee,” CPZ Holding, LLC

- CPZ Holding, LLC is a separate entity from CPZ, LLC (developer)

- $61 million per year for 20 years
  - Includes Maintenance

- $1.2 billion total payments
Developer Sublease

The Ground Lessee (sublandlord) will lease the Project to the “Developer,” CenterPoint Zimmer, LLC

- CenterPoint Zimmer, LLC is also Developing the CenterPoint-KCS Intermodal Center across the street at the old Richards Gebaur Airport
GSA (Sub-)Sublease

The Developer (sub-sublandlord) will sub-sublease the Project to Government Services Administration (GSA) as sub-subtenant

- GSA will provide the facility to NNSA
  - Is NNSA the sub-sub-sublessee?
  - Details remain unclear as Costs remain hidden under GSA budget, not NNSA
Ground Lessee will own

Upon expiration of the [20 year] PIEA/Ground Lease, Centerpoint Zimmer will own the project.

- Cost to CPZ = $10.00 to buy back the land and buildings from PIEA-KC
New Lease to NNSA?

CPZ (former Ground Lessee, now Owner after 2032) can then lease the Project to NNSA for the life of the Facility.

- 20-40 more years? (another $1.2 to $2.4 Billion?)
Any Questions?

- Bonds Placed ($687M)
- Land Sale (CPZ to PIEA)
- Construction (2010-2012)
- CPZ Owns
- CPZ Leases to NNSA
- NNSA (Sub-sub-sub?)
- GSA Sub-Sublease
- Developer Sublease CPZ
Where could this money be better spent?
Schools, Hospitals...
Where’s the Money for Cleanup?
Please Get Active

Why Bother? Because:

• The nuclear weaponeers want to build up their bomb production complex, not clean it up. But the nuclear weapons industry is (hopefully) a dying business.

• Real security: clean up to protect public health and the environment; prioritization of funds for the greatest public good (schools, hospitals, infrastructure); local green, sustainable economic development; nuclear weapons nonproliferation leading to abolition.

• Hassle your congressional delegation, make your opinions known, write letters to the editor, support your local organizations.

• Protest groundbreaking of the new Kansas City Plant. Sign up at: http://groups.google.com/group/kcnukewatch/

• Democracy is a muscle. Use it or lose it!
  “DON’T MOURN, ORGANIZE!!!”