

From: "Lee Cheney" <lee_cheney@leaco.net>
To: <LES_EIS@nrc.gov>
Date: 3/13/04 12:00PM
Subject: Socio-economic alternative to LES

2/4/04

69FR 5374

43

SOCIO-ECONOMIC ALTERNATIVE TO LES

CONTENTS

- 1 - Introduction
- 2 - Background
- 3 - Grants
- 4 - Taxation alternative
- 5 - Financial & Economic benefits
- 6 - Health & Environmental benefits
- 7 - Paying the Bill
- 8 - Censorship
- 9 - Plausible Alternative to LES

RECEIVED
 2004 MAR 16 PM 1:13
 Rules and Directives
 Branch
 Division

1 -INTRODUCTION

This socio-economic alternative to LES is a proposal to give the people and businesses of Lea County a \$435 million tax break instead of giving LES a \$180 million tax break which would not only provide the people and businesses of Lea County with tax free property but which would provide Lea County with significantly more long-term jobs and free enterprise economic development than LES could ever hope to provide.

2 - BACKGROUND

At the present time, without LES, the assessed full value of property in Lea County, NM is \$4.3 Billion. The tax value of this property is \$1.5 Billion. \$14.5 Million in property taxes were assessed by the Lea County in 2003.

LES stated that they would not locate their uranium enrichment facility in Lea County, NM without financial assistance from Lea County so the Lea County Commission has authorized Bond Ordinance No. 58 which is an Industrial Revenue Bond (IRB) package for the benefit of LES, URENCO and the other partners in the LES consortium. Among other financial benefits that these IRB's would provide LES, et al, these IRB's would provide LES with an 80% reduction in the amount of property tax LES would have to pay to Lea County.

The Lea County Commission estimates that the assessed property taxes for LES based on the full value assessment of LES property would be \$7.5 million per year in taxes paid to Lea County. However, the Lea County IRB's only provide Lea County with property tax revenue of about \$1.5 million per year from LES which is only 20% of the expected assessed value of LES property.

The Lea County IRB's provided for LES are the financial equivalent of free profits for LES in the amount of \$180 million in profit over 30 years. If LES had to pay these profits in taxes to Lea County it would make building the LES uranium enrichment facility in Lea County uneconomic. Without these IRB's LES would not locate in Lea County. It must also be kept in mind that the tax burden on the people of Lea County will continue to increase during the next 30 years while at the same time the \$180 million in profit generated by LES because of this tax break will be paid to the rich and super-rich, and the main beneficiaries of these profits will be Europeans (URENCO, et al), not Americans, and certainly not the people of Lea County which means that this \$180 million will be spent and invested by the LES consortium in Europe, not by and for the people of Lea County.

E-RIDS = ADM-03

ack = T. Johnson (TJS)
M. Wong (MWO)

Rempl... ADM-013

3 - GRANTS

Grants are free money to those who receive the grants. Grants are commonly granted to states, counties and economic development organizations, to corporations, businesses and sometimes to individuals. One such grant is being doled out to the New Mexico Community Development Council. A meeting with the New Mexico Community Development Council was recently held in Hobbs to discuss how a \$16 million grant should be allocated. Lea County requested that \$500,000 be allocated to Lea County to build a therapeutic swimming pool. A myriad of other proposals were also presented to the New Mexico Community Development Council. A decision will be made on March 17, 2004 as to how these funds should be allocated.

The point is that where there is a political will there is a political way to obtain free grants. Tax breaks are essentially free grants. Free corporate profits from tax breaks are essentially free grants to corporations. In fact, the \$180 million tax break being given to LES to locate in Lea County is essentially a \$180 million grant to LES, URENCO, et al because by not having to pay these taxes gives free profits to the these foreigners.

4 - TAXATION ALTERNATIVE

The term "corporate welfare bums" is commonly used by people who are opposed to making taxpayers feed the rich and super-rich. The people and businesses in Lea County could, and should, be given a \$435 million tax break instead of giving LES, URENCO, et al a \$180 million tax break. This would simply involve the Lea County Commission revoking Bond Ordinance No. 58 and authorizing an across the board tax cut for the businesses and people of Lea County of a \$14.5 million per year (\$435 million over 30 years) instead of for LES. The difference between \$435 million and \$180 million is \$255 million. At first glance it would appear that this alternative tax cut proposal for economic development in Lea County would only increase funds available \$255 million for spending and investing by the people and businesses of Lea County. However, it must be kept in mind that the entire \$435 million in tax cuts for the people and businesses would be by and for the people and businesses of Lea County whereas the \$180 million tax break for LES will not be for the people and businesses of Lea County but would be money spent and invest by foreigners in Europe. Giving the people and businesses of Lea County a \$435 million tax break rather than giving LES a \$180 million tax break would generate 2.36 times more spending and investing power in Lea County for economic development and job creation by and for the businesses and people of Lea County instead of letting LES pay Lea County tax breaks to foreigners.

Since collecting property taxes is a major source of county revenue, it might appear that canceling the LES \$1.8 million Bond Ordinance No. 58 and that a \$14.5 million tax cut for the businesses and people of Lea County would leave Lea County essentially without any revenue but this socio-economic alternative to LES shows that this would not be the case.

5 - FINANCIAL AND ECONOMIC BENEFITS OF THIS SOCIO-ECONOMIC ALTERNATIVE TO LES

The first and most obvious benefit of eliminating property taxes for the people and businesses of Lea County is that it would increase the spending, investing, and job creation power of the people and businesses of Lea County by \$435 million over 30 years (\$14.5 million/yr.). This would generate almost 2-1/2 times more jobs, income and investment in Lea County than would be derived even if LES spent and invested the entire \$180 million free profits in Lea County. However, it must be assumed that the \$180 million in free profits LES would get from the IRB tax break would be spent and invested by Europeans and it can be reasonably assumed that none of that \$180 million free profit for the LES consortium would be spent and invested in Lea County. Therefore, the socio-economic benefit by and for the people of Lea County of this proposed alternative to LES will actually generate 100% more spending, investment, and job creation than would be generated by the \$180 million LES free profits that would fly to URENCO. et al in Europe.

Second. 100% of the \$435 million will be free enterprise spending, investing, and job creation in Lea County, by and for the people and businesses of Lea County without government involvement or control.

Genuine free enterprise spending, investing, and job creation by the people and businesses of Lea County without government involvement or control would be far better for the people of Lea County than the tangled web of corporate and government intrigue that is involved in IRB's and legislative control of spending, investing, and job creation.

Third. The LES \$10 million per year job creation program will, at best, last for only 30 years whereas the \$14.5 million per year job creation and economic development that will be provided to Lea County by eliminating property taxes for the people and businesses of Lea County will be perpetual and will have a long-term cumulative multiplier affect.

Fourth. \$435 million free enterprise spending and investing in Lea County by and for the people of Lea County will provide vast economic diversification and significantly help eliminate the Lea County dependency on the oil and gas industry.

6 - HEALTH & ENVIRONMENTAL BENEFITS

The many potential health and environmental problems that will be caused by LES will be eliminated by this socio-economic alternative to LES. A lot of people say the health and environmental problems that will be caused by LES will not be as bad or even less than oil field health and environmental problems but that is simply not true. Oil field health and environmental problems are not even in the same ball park with health and environmental problems caused by the nuclear industry.

By eliminating property taxes for the people and businesses of Lea County a whole range of environmentally clean economic development options and alternatives to LES become available which is what free enterprise should be all about.

7 - PAYING THE BILL

Paying Lea County \$14.5 million/yr. instead of collecting property taxes from the people and businesses of Lea County would be easy.

A 100% property tax cut for the people and businesses of Lea County could easily be paid for with interest free, debt free, and tax free money issued by the United States Secretary of the Treasury.

All that would be needed is for President Bush to sign of a simple piece of paper (an Executive Order) authorizing the U.S. Treasury Department to pay \$14.5 million per year of interest free, debt free, and tax free money to Lea County the same way President John F. Kennedy signed Executive Order 111.10 that authorized the U.S. Treasury to issue \$40 Billion of interest free, debt free and tax free money.

The money problem interlocked with the international corporations runs silent and runs deep. What is needed is for the problem to surface and for the silence to be broken.

8 - CENSORSHIP

Monday, January 26, 2004 5:17 PM

CNIC CENSORED BY EUNICE NEWS

Not only has Lynn White, publisher of The Eunice News in Eunice New Mexico refused to publish letters to the editor by Lee Cheney sent to him, but today, Lynn White, publisher of The Eunice News, refused to allow the CNIC to place paid ads in The Eunice News. I wanted to place the following display ad in The Eunice News but Lynn White refused.

WHY GIVE \$1.8 BILLION TO LES NEF?

WHY NOT GIVE IT TO THE PEOPLE
OF LEA COUNTY INSTEAD?

FOR MORE INFORMATION CONTACT:

CNIC - Citizens Nuclear Information Center

P.O. Box 312, Hobbs, NM 88240-0312

Telephone 505-397-2147

email: nuclear@leaco.net Web Site: www.CNIC.ws

WE HAVE INFORMATION THAT LES NEF IS NOT TELLING YOU

9 - PLAUSIBLE ALTERNATIVE TO LES

It takes a lot of time and a lot of education to develop any socio-economic proposal, as LES knows well from experience.

While LES claims that some of the waste disposal options presented to the NRC are plausible solutions the truth is they are far-fetched and unrealistic, such as the Cotter Mine proposal. To have plausibility a proposal must at least be potentially achievable.

While this proposed socio-economic alternative to LES may, at first glance, appear to be far-fetched and unrealistic, the fact remains that unlike the LES Cotter Mine proposal that didn't even exist, this socio-economic alternative to LES only needs a simple signature on a little piece of paper by President Bush in order to become a reality.

LES is engaged in heavy and expensive political gamesmanship locally, nationally, and internationally. Therefore, I ask the NRC to grant us the same opportunity to educate people, including our politicians, to the merits of this socio-economic alternative to LES, and, I ask the NRC to include this proposal in the LES EIS as a plausible socio-economic alternative to LES.

Lee Cheney
Citizens Nuclear Information Center (CNIC)
P.O. Box 312, Hobbs, NM 88240-0312
Telephone 505-397-2147
e-mail: nuclear@leaco.net
Web Site www.CNIC.ws