

**FINDING THE PEACE DIVIDEND  
at the  
ROCKY FLATS NUCLEAR WEAPONS PLANT**

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**ABSTRACT**

The end of the Cold War has raised the question, "Is there a 'peace dividend'?" Yes there is but not a fiscal dividend found in the federal budget. The nation can find a "peace dividend" only in the highly skilled workers and state-of-the-art technology in the nation's defense production facilities. As the defense mission for these facilities is completed, the nation must take advantage of the opportunity to make available the equipment and transfer the technology to create new employment opportunities for these skilled workers.

If this dividend is efficiently utilized, the U.S. will keep America's Cold War veterans working. Resolving the environmental restoration and waste management issues are the biggest challenges to effectively re-using defense production facilities. This, however, is not an insurmountable roadblock when the federal and state agencies work closely with the community to creatively resolve these issues. Moreover, it requires a new way of thinking on the part of everyone involved as we explore economic opportunities through interim re-use.

If we, as a nation, meet these challenges and fully capitalize on this valuable "peace dividend", -- the workers and the technology remaining from the Cold War we can provide a benefit to the economy.

**INTRODUCTION**

"Are we going to move decisively to invest a portion of our peace dividend?" (1) asked Senate Budget Committee Chairman Jim Sasser, (D-TN) during a debate on transferring defense budget authority to domestic programs. Sasser and others were leading a fight to transform this "peace dividend" into job-stimulating public investment. However, during this debate, Senator John Danforth (R-MO), rhetorically asked, as he reminded the Senate of our nation's unprecedented deficit, "What peace dividend?" (2) Both senators were looking for a "peace dividend" as a matter of cash flow in the federal budget. One was looking for funding for new investments and the other for deficit reduction. Neither senator found a dividend for either purpose.

Has the ending of the Cold War really left the country with a "peace dividend"? Yes. However, the "peace dividend" described here is not in congressional budget documents as a new funding source. The real "peace dividend" is in the many high-tech defense production centers. The real "peace dividend" is the state-of-the-art equipment and developed manufacturing processes. The real "peace dividend" is the skilled workers who have met the challenges of the Cold War. If we convert facilities from weapons production to peaceful commercial operations and utilize the skills of the workers, local economies will benefit by avoiding costly displacements and negative economic impacts due to job loss.

In order to realize this "peace dividend" as a nation, we must first address critical issues such as clean-up of the Superfund sites. It is time to shift the paradigm so that yesterday's problems can become tomorrow's opportunities. If the country doesn't recognize this dividend and capitalize on it, we

stand to lose not only the skills of former defense workers, but America's position in the world economy.

Throughout the Cold War, American workers at defense production facilities nationwide have dedicated their lives to the defense mission. They are our "peace dividend". Today, however, these workers stand on the sidelines as America struggles to gain ground in our newest battle. This is an economic battle where the casualties are American jobs -- jobs lost overseas.

**The New Challenge**

A recent ad in Expansion Management magazine, paid for by the State of Yucatan, Mexico, directed at America's manufacturing executives demonstrates the seriousness of this new struggle. The ad tells these executives they "can save over \$15,000 a year per worker" if they move their manufacturing plant to the Yucatan where labor costs average "under \$1 an hour, including benefits". (3)

Statistics that demonstrate American manufacturing jobs have been in a state of steady decline since 1980 reflect the effectiveness of this ad and others like it. The U.S. lost 1.8 million manufacturing jobs to overseas markets as the manufacturing labor force has contracted from 22 percent of the total work force in 1980 to 17 percent in 1991. (4) In Colorado, the home of the U.S. Department of Energy's (DOE) Rocky Flats Nuclear Weapons Plant, the story is no different. Colorado's manufacturing jobs declined from 14.6 percent of total workforce in 1980 to 12 percent in 1991. (5)

The end of Cold War and subsequent defense cutbacks are further compounding the decline of U.S. manufacturing jobs. According to the Defense Conversion Board, 960,000 private-sector jobs will be lost in the first seven years of this

decade given the current rate of defense cuts. The State of Colorado again mirrors the national trend as it expects to lose 14,000 civilian defense employees between 1991 and 1997. Specifically, Lowry Air Force Base will close in 1994, idling 1,750 civilian workers; Martin Marietta, the state's largest private contractor, already reduced its Colorado workforce by nearly 3,300 during 1990-91 and expects to reduce an additional 1,500 this year; and the Rocky Flats Plant is expected to terminate approximately 4,100 manufacturing jobs by 1996 due to the cancellation of W-88 warhead production.

The loss of jobs at the Rocky Flats Plant alone represents a significant impact on the local economy. Salaries from the plant average more than \$42,000, with a total annual payroll in excess of \$330 million. In the past, this payroll has provided an estimated \$152 million-a-year retail sales market, enough to support an entire regional shopping center. Further, the Rocky Flats payroll supports the purchase of about 2,000 cars and trucks a year, enough to keep five major auto dealerships and eight used car dealerships in business. In addition, Rocky Flats employees generate \$4.2 million in real estate commissions annually through the purchase of homes. (6) The loss of these jobs "has the potential for reducing the wages earned by the Jefferson County work force by \$100 million. A loss of wages of this magnitude will have an impact on not only the growth of personal income and ultimately retail sales growth in Jefferson County, but the effects of the lost jobs will spread through the metro area." (7)

According to the Rocky Flats Transition Plan Report to Congress, the Rocky Flats' mission is changing from nuclear weapons manufacturing to environmental clean-up. In general, the local community welcomes this change in mission. Yet, while community leaders are encouraged by the move to clean-up the Rocky Flats site, they are also concerned about retaining jobs in the community and addressing any socioeconomic issues resulting from this change in mission.

#### **The Rocky Flats Local Impacts Initiative**

In anticipation of the uncertain future of Rocky Flats, the Jefferson County Board of Commissioners convened a broad base of organizations reflecting all major community interests, including local governments, union and non-union plant workers, public and private sector organizations, environmental and other activists groups and representatives from DOE and EG&G, the plant management and operating contractor. This group, now known as the Rocky Flats Local Impacts Initiative (RFLII), was created through an Intergovernmental Agreement (IGA). Under Colorado law, an IGA can be used to provide any function, service or facility lawfully authorized to each of the units of government signing the IGA. Thus, the RFLII has become a form of local government whose purpose is to address the impacts and identify the opportunities that a change of mission at the Rocky Flats Plant will bring to the community.

RFLII governmental members include the Colorado counties of Adams, Boulder and Jefferson. Participating cities include Arvada, Broomfield, Boulder, Denver, Golden, Lafayette, Lakewood, Longmont, Louisville, Northglenn, Superior, Thornton, Westminster, and Wheat Ridge. In an effort to include a variety of opinions in this process, the Initiative took extra efforts to ensure that the membership, and in particular the governing board, included representatives from community interest groups and business organizations. These groups range from major businesses such as Public Service

Company of Colorado, to area chambers of commerce and the Colorado Council on Rocky Flats, to activist groups such as the Rocky Flats Cleanup Commission and the Rocky Mountain Peace Center. The Initiative also includes ex-officio participation by the Department of Energy, EG&G Rocky Flats, the Governor's Office, the Colorado Congressional Delegation, state senators and representatives and other state and federal agencies.

A major focus of the RFLII is to address the needs of workers and their families affected by operational changes at the plant by analyzing worker skills and vendor needs; identifying and analyzing existing assistance programs; recommending new programs and efforts to meet these needs; and coordinating and facilitating to ensure effective delivery of services. Other equally important tasks of the Initiative are to convene long term land and facilities use planning to help insure that if interim use occurs, the activities are compatible with the new environmental restoration and waste management mission.

Environmental restoration and waste management continue to be the first priority at Rocky Flats, Economic Development leaders who are working on matching technology and work skills to off-site businesses and recruiting other high-growth businesses to the area, have asked if there is a benefit to be found through interim reuse of the facility, such as the buildings, equipment and personnel skills.

#### **Economic Development at Rocky Flats**

On June, 1992, the Department of Energy Headquarters offered an alternative when by challenging the local community to view the transition of the Rocky Flats Plant as a change from production to decontamination and economic development. "It is time to stop referring to Rocky Flats as a bomb plant," said Secretary Watkins, "and begin to think of it as a laboratory of highly qualified technicians with special equipment...that can be utilized by the private sector." (8)

DOE's Rocky Flats Office responded quickly to the challenge and in July, 1992, created the Economic Development Office (EDO) for the Rocky Flats Plant. The purpose of the EDO, contingent on the community's support, is to work with the RFLII, private businesses, other federal agencies, and local universities and research institutions, to explore ways to privatize the facilities and retrain the workers so the workforce can continue to make a positive contribution to the local economy.

The concept of economic development, better defined as interim reuse is slowly gaining cautious support from organizations traditionally opposed to Rocky Flats. On July 7, 1992, just weeks after the Economic Development Office opened, the Boulder Daily Camera asked in an editorial, "Are we to believe that the heavily guarded and secretive nuclear weapons facility can be turned into an industrial park? That the plutonium-contaminated site could be ready to house private businesses in as little as two years?... With some reservations, Rocky Flats' neighbors can begin to believe that. And Department of Energy should be credited for starting a turnaround in thinking about the most controversial job site in the Denver metro area." (9)

Immediately upon the Department's remarks and the formation of the EDO, private sector firms contacted Rocky Flats officials to express interest in the facility. This swift response demonstrated the private sector's interest in utilizing the facility, its equipment and the skilled labor force.



Responding to this interest, the RFLII and the EDO began to explore these proposals and the issues surrounding them. While the EDO staff investigated internal legal and proprietary issues, the RFLII began a community consensus process to determine desired criteria for the interim use of the facility.

### **Demonstrating the Capabilities**

As a part of this process, the EDO determined one of the first steps was to make community members aware of the resources available by providing tours of the specific buildings eligible for interim reuse activities. The first facility to be opened was the stainless steel fabrication building, Building 460. In October and again in December, the EDO and the RFLII sponsored "Technology Showcases" to provide the private sector its first view inside this state-of-the-art manufacturing building. The unprecedented decision to allow the general public inside this highly classified building is an example of the new spirit and creative, "can-do" attitude which has been fostered by DOE's Environmental Restoration and Waste Management (EM) office at Headquarters.

Building 460 is a modern, multi-purpose machining facility that is suitable for commercial or other government use. It is not contaminated and could be made available at little cost following a complete contamination survey after its Defense Programs mission is completed. This nonnuclear facility has a total area of 230,000 square feet, including, the manufacturing area office and cafeteria space. A broad base of technology is utilized and maintained in Building 460. For example, components can be joined by numerous processes including electron beam welding (high and low voltage), gas tungsten arc welding (autogenous and cold wire feed), resistance welding, and vacuum brazing. In addition, parts can be machined with high precision computerized numerical control (CNC) lathes, high precision CNC mills, a 7-axis automated machining center, gun drills, electrical discharge machines, grinders, and miscellaneous machining equipment. Building 460 also houses a complete capability for nondestructive testing, dimensional inspection, and cleaning that supports the fabrication and assembly operations.

Many pieces of equipment in Building 460 have commercial applications. For instance the Zeiss Coordinate Measuring Machines, which use an industrial ruby probe to measure an object for size, contour, feature size and location, has a variety of aerospace, energy and automotive industry applications. Another example is the Voest Alpine 7 Axis Millturn. This machine is a dynamic, state-of-the-art manufacturing tool capable of performing a variety of functions including, turning, milling, drilling, parts handling and tool management while operating in a hands-off atmosphere. The 7 Axis mill, which is one of only eleven in the U.S., includes two fully programmable robots—one for parts handling and one for tools handling.

The community, including academia, state economic development agencies, private businesses and other federal and state agencies, is beginning to recognize the opportunity of the "peace dividend" in Building 460 and is beginning to think about methods to make use of the high-tech equipment and skilled machinists, technologists and scientists who work there. As one private sector visitor reported, "Building 460 has a lot of sophistication, and in several areas. It was a surprise and more than we expected. We are taking the brochure along with our impressions to meet with our corporate management

on the West Coast to discuss options." A representative of a local research university added, "We saw several ways that technology at Rocky Flats could be applied to other uses. These included conducting research and development for the environmental restoration field, developing partnerships to do special work and other commercial applications and conducting training for specialized needs in small businesses." (10)

### **Regulatory Issues**

DOE is committed to working with their stakeholders to assure that interim reuse will not come at the expense of human health and the environment. It is recognized that before this state-of-the-art "peace dividend" is applied, all regulatory issues must be addressed.

To begin this process, the RFLII convened area stakeholders and developed a series of questions regarding the interim reuse of the Rocky Flats Plant. The questions include: Can private sector tenants be brought in to a National Priority List (Superfund) site, and if so, what are the restrictions that would apply under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)? Will individual contaminated "units" be released by the Environmental Protection Agency (EPA) after clean up, or will reuse of any portion of the site depend on all units being clean? How will releases by a new tenant be regulated under the Resource Conservation and Recovery Act (RCRA) given the IAG and DOE permit?

Other issues being addressed include: Will an Environmental Assessment (EA) be required prior to any DOE action to lease buildings to private sector tenants prior to completion of the site-wide Environmental Impact Statement (EIS)? What would be the timeline for EAs? What is the public review component? How does DOE's economic development office's efforts fit in with the site-wide EIS? How will site-wide EIS activities be integrated with interim re-use decisions?

The communities surrounding Rocky Flats are not the first to confront these difficult cleanup and waste management issues. Communities put in this position have found themselves in a predicament. Generally, they are torn between wanting the clean-up process to proceed free from any other distraction and the desire to reuse the site to mitigate economic impacts.

In March 1992, former Congressman and current Budget Director Leon Panetta described the Superfund law as a "tremendous barrier" to the economic recovery plans for the Fort Ord, California area. Panetta and other members of Congress discussed their frustration during a Congressional hearing on Panetta's bill HR 4016, the Community Environmental Response Facilitation Act.

**MR. SWIFT.** I have the sense that the Federal Government has grown over the years to believe they can move in, they can move out, they can change policy, do anything they want, and if a few things, people, communities, fall off the edge, tough.

Our opportunity in this instance is to deal with closure of Federal Government facilities, but in the broader context I think the Federal Government has got to understand that it can't just make decisions and let all the results fall wherever they may,

walk out of a community, and leave it hurting.

**MR. PANETTA.** One thing I want to mention that is incomprehensible to the community: sometimes, as they find out that there are 41 sites, (toxic sites), there is this possibility of danger, (and) you have got to be able to clean up, et cetera, et cetera. The community says, well, wait a minute. You've got 25,000 military families there now. Do you mean to tell me you're going to accept this kind of toxicity, these kinds of dumps, this kind of waste, and the military families are being subjected to these risks? What's going on?

The community doesn't understand how suddenly what was an area that had a great number of individuals and families now has to be cleaned up in order for others to be able to use the property. They don't understand the double standard.

**MR. RITTER.** This is a very interesting comment that the gentleman from California makes. I think it really does point out that sometimes what we are doing in terms of standards on RCRA and CERCLA and Superfund may sometimes be beyond the pale of rational cleanup and a rational process for cleanup.

I think what is important here in the broader context is the way we have set ourselves up to fail with the cleanup process and the standards for how clean is clean, and that we don't allow rational reforms to the system. We are reauthorizing RCRA now and it is hard to get some kind of rational reform.

This is a great example. We have seen this in the private sector quite a bit. Now, all of a sudden we have a different situation. We have communities that are crying out to switch from defense uses to civilian uses. I think this pressure is going to be a positive thing, because it is going to point up some of the irrationalities in the present delay-ridden, litigation-based statute.<sup>11</sup>

Congressman Panetta's bill passed Congress and was signed into law on October 19, 1992, (P.L. 102-426). The bill amends CERCLA to require the federal government, before termination of federal activities on any real property owned by the government, to identify real property where no hazardous substance was stored, released, or disposed. According to House Report 102-814, the purpose of this new law is intended to establish both the process and criteria for evaluating and identifying uncontaminated property on federal installations where government activities are scheduled to terminate. Such evaluation and identification shall be undertaken by the federal agency that owns such property. In the case of property on the National Priorities List, the EPA must concur in determining whether such property is not contaminated before it can be released for alternative uses.

The report states the change in Superfund law was necessary to help communities adjust to closures of military bases and other federal facilities on which their economic viability depends. According to the House Report, the closure of a federal facility poses three dilemmas to local communities. "First, communities adversely affected by facility closures are faced with the challenge of mitigating the resulting economic dislocation. Second, in any such community, property on which federal activities terminate often represent the best prospect for future economic development. Third, such properties may be contaminated, in which case they must be environmentally restored before they can be transferred, reused, or otherwise developed for the benefit of the community." (12)

This new law is a positive step to help communities respond to the three dilemmas. More importantly, the law is a positive signal to communities that are trying to convert to a post Cold War economy. These communities are not suggesting that environmental laws such as CERCLA and National Environmental Policy Act be ignored or watered down. They are increasingly requesting the regulatory agencies recognize the economic situation of these communities and coordinate their policies with the community so the "peace dividend" benefits the workers, the community and the regional economy. For example, should level of contamination alone dictate clean-up priorities? Why couldn't elements such as cost and availability of technology and potential economic reuse be considered? Facilities, communities, and regulators must work together to address these questions and do their best to develop creative solutions to these problems, such as the Community Environmental Response Facilitation Act.

Federal agencies such as DOE, EPA, and the Department of Defense must be responsive to the needs of the community. The Department of Energy has learned this difficult lesson at Rocky Flats. The bottom line is that communities today demand openness and responsiveness from any government agency. The communities and citizens are the customer.

#### Rocky Flats Regulatory Task Force

It is for this very reason at Rocky Flats that DOE, at the initiation of the RFLII, created a task force on interim reuse with representatives from the community, DOE, RFLII, EPA, the State Health Department, and the natural resource trustee agencies. The purpose of this task force is to address how interim reuse would effect CERCLA and the RCRA issues so interim reuse does not come at the expense of environmental restoration and waste management activities, community health and safety, or the environment. Furthermore, the group is developing a process that will allow interim reuse to move forward, provided all regulatory, health, safety, security, and other issues raised by the community are satisfactorily addressed.

Through this process, local EPA officials have been able to outline the questions they believe must be answered prior to any interim reuse of the Rocky Flats Plant. These questions, which are building-specific, include: Have there been any releases of hazardous materials in the building? Does this release pose a threat to the health and safety of the workers? Has the mitigation plan been approved? Will the new activity exacerbate or interfere with the CERCLA response regarding both the building and the surrounding area?

The concept of interim reuse at contaminated federal facilities is relatively new. The communities in the Rocky Flats

area are sailing uncharted waters. In times like this, it is easier to say it can't be done than to explore new and creative ways of making it happen. The goal of this cooperative effort known as the Regulatory Task Force, is to define what can be done while protecting the health and safety of the public and the environment.

Getting the various federal and state agencies to change their way of doing business is a significant challenge but critical to the success of interim reuse. Regulators must become problem solvers because most laws are not written with privatization in mind. Landlord agencies, like the DOE, need to involve the community in all phases of planning for the disposition of facilities/property. However, at the same time, communities must be realistic in their expectations and demands, willing to work as partners with the government, and able to achieve local agreement. The communities at Rocky Flats recognize that this process has just begun. Today, there are more questions than answers, but the community welcomes the opportunity to continue exploring the opportunities with Department of Energy Secretary Hazel O'Leary and other regulatory agencies.

### CONCLUSION

If it is agreed, for the sake of argument only, defense facilities, such as Rocky Flats, placed their production mission before the environment for the first 40 plus years of operation, let us, as a nation, be certain we don't now pursue economic opportunities at the expense of environmental restoration. We must re-focus environmental restoration activities to ask if they can accommodate the opportunities present in surplus defense production facilities, such as Building 460 at Rocky Flats and the skilled work force that operates its equipment. It need not be a question of "either/or".

Last year while Congress was looking for the budgetary silver lining resulting from the end of the Cold War, Senator Tom Harkin, (D-IA), was asked his thoughts on the best way to ease the hardships of dislocated defense workers. Harkin said, "Some of our best engineers, scientists, systems analysts, computer operators, sheet metal workers, machinists are working, building things for the Cold War. I say it's time to use these people." (13) It is in the Senator's comment that the nation finds the "peace dividend". Accessing and reapplying this equipment and the skilled workers will require a new way of thinking.

Given the size of the federal deficit, there is no fast and simple way to provide additional federal funds for job-stimu-

lating investments. To commit additional federal funds for these investments means Congress continues to deficit spend. Is there an option? Yes. Our country can continue to seek a "peace dividend" in the federal budget, or we can take the bold steps to make available our defense facilities and provide benefits back to the skilled workers, local economies and, ultimately, our national economy. We can cast aside the laid off workers who dedicated their lives to winning the Cold War, or we can create jobs that utilize their skills and the state-of-the-art machinery to meet our nation's economic challenge and work to make our economy the strongest and most advanced in the world. The U.S. won the Cold War through bold and decisive actions. We must be equally bold and decisive as we face the challenge of hammering our nation's swords into plowshares.

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