

# Work Session

<b>Agenda Item #</b>	1
<b>Meeting Date</b>	February 18, 2014
<b>Prepared By</b>	Jessie Carpenter City Clerk
<b>Approved By</b>	Brian T. Kenner City Manager

<b>Discussion Item</b>	Follow-up Discussion Regarding Procurement of a List of Nuclear Weapons Contractors
<b>Background</b>	<p>The work session discussion has been scheduled to follow up on the January 27, 2014 recommendation of the Nuclear-Free Takoma Park Committee for procurement of a list of nuclear weapons contractors. The Committee recommended purchase of the list from MSCI. Staff hopes to have final cost information from MSCI in advance of the work session.</p> <p>Staff concurs with the Committee’s recommendation. Purchase of a list that can be updated periodically by MSCI and shared by staff would be the most efficient way to vet contractors and vendors in compliance with the Nuclear Free Zone Act.</p> <p><u>Background Information Provided January 27, 2014</u></p> <p>The Takoma Park Nuclear-Free Zone Act (Chapter 14.04 of the City Code) establishes the City as a nuclear-free zone in that work on nuclear weapons is prohibited and that harmful exposure to high-level nuclear waste is limited within City limits. The Act contains procurement provisions that prohibit the City from contracting with or purchasing from nuclear weapons producers. Recipients of City contracts must certify that they are not knowingly or intentionally a nuclear weapons producer.</p> <p>The Nuclear-Free Takoma Park Committee was established by the City Council to oversee implementation of and adherence to the Nuclear-Free Zone Act. Seven residents are appointed to staggered two-year terms. Current members are: Jay Levy, Julie Boddy, Paul Gunter, Polly Kanazaki, and Linda Gunter.</p> <p>To guide the City, its officials, employees and agents in the implementation of the procurement provisions of the Act, the Nuclear-Free Takoma Park Committee is to annually prepare and report to the City Council a list of nuclear weapons producers. In turn, upon advice of the Committee, the City Council is to establish and publish a list. The last list available, adopted by the City Council in February 2005, was purchased from Nuclear Free America, Inc. It was based on the latest year of Federal procurement data available at the time – Fiscal Year 2002.</p> <p>Since 2005, the Nuclear-Free Takoma Park Committee and staff have relied on that list and the Committee has offered to investigate specific companies when necessary. More recently, the Committee has explored other options and located three for the Council’s consideration:</p> <p>Option 1. Bloomberg Government. Annual subscription \$5,700 for one single seat license only to research each company.</p>

	<p>Option 2. MSCI. Annual subscription \$8,500 for provision of searchable spreadsheets that could be shared by all City departments.</p> <p>Option 3. Charles Johnson, former President of Nuclear Free America. First year service to produce a list would cost \$3,000.</p>
<b>Policy</b>	Takoma Park Nuclear-Free Zone Act, City Code, Chapter 14.04
<b>Fiscal Impact</b>	N/A
<b>Attachments</b>	<ul style="list-style-type: none"> <li>• Memo from the Nuclear-Free Takoma Park Committee dated November 18, 2013</li> </ul>
<b>Recommendation</b>	Authorize the City Manager to purchase the list from MSCI.
<b>Special Consideration</b>	

## **Nuclear Free Takoma Park Committee (NFTPC)**

Date: November 18, 2013

From: Paul Gunter, NFTPC

To: Jessie Carpenter, City Clerk,  
Jay Levy, Julie Boddy, Polly Kanazaki, Linda Gunter

RE: SUMMARY REPORT Upgrading Implementation of Takoma Park Nuclear Free Act

Takoma Park City Ordinance Chapter 14.04, The Nuclear Free Zone, charges the Nuclear Free Takoma Park Committee (NFTPC) with overseeing the implementation and adherence to the Takoma Park Nuclear Free Act.

The NFTPC provides the following research to the City Council for discussion towards a decision to upgrade the implementation of the Takoma Park Nuclear Free Act.

The NFTPC provides the following three options for Council consideration:

### **OPTION 1. Bloomberg Government ( <http://about.bgov.com/> )**

Bloomberg Government (BGOV) describes itself as “the single, most comprehensive web-based information service for professionals who interact with or are impacted by the federal government. Through rich data, in-depth analysis, news, directories and integrated analytical tools, BGOV helps congressional staffers; government relations and business development professionals; C-level executives; and agency officials stay at the top of their game.”

In addition to the tools and data available via the Bloomberg Government site, Bloomberg provides access to its world class analysts and customer support team. These support personnel, on a limited/occasional basis, may provide additional depth and insight into particular areas of interest to Bloomberg customers (e.g., only, relating to weapon systems codes).

In June 2013, members of the Nuclear Free Takoma Park Committee and representatives of the City of Takoma Park participated in a demonstration via webinar and telephone conference call hosted by Bloomberg Government representatives Paul Murphy and Tracy Rana.

The Bloomberg representatives were very helpful and interested in assisting the city to develop and utilize its focused online research service. They demonstrated how their search engine can be used by the City to vet city contractors and services for current contract activity on nuclear weapons systems. The subscription service involves a designated subscribed individual user though password protected entry into the Bloomberg Government-assembled data base.

According to Ms. Rana, the research data may be printed out for distribution within city governmental departments on a limited or occasional basis. She adds however that if this is done, for example, on a daily basis to a large group of people, this would violate the terms of our service and would suggest the need for additional licenses/seats to be purchased.

The Bloomberg representatives further expressed a willingness to assist the City troubleshoot navigation and implementation of their research service.

The Bloomberg Government annual subscription rate is \$5,700 per seat/license.

Bloomberg Government provides the additional document attached to this communication to the City of Takoma Park for internal information purposes only and not for public distribution.

## **OPTION 2. MSCI (<http://www.msci.com/>)**

MSCI is a socially responsible investment firm that provides a subscription service for Business Involvement Screening Research (BISR) to screen for military contracts and "controversial weapons" specifically includes nuclear weapons systems. See Appendix 1:

[http://www.msci.com/products/esg/bisr\\_and\\_global\\_sanctions/](http://www.msci.com/products/esg/bisr_and_global_sanctions/)

Paul Gunter made contact with Paul Cogan of MSCI. Mr. Cogan informs us that MSCI has a screening methodology for nuclear weapons contractors which includes:

### **Nuclear Weapons**

#### **Nuclear Weapons Systems (WEAP\_NUC\_SYSTEM):**

Companies that manufacture nuclear weapons. A nuclear weapon is defined as "an explosive device that derives its destructive force from nuclear reactions, either fission or a combination of fission and fusion" and this category includes but is not limited to:

- nuclear warheads;
- intercontinental ballistic missiles and corresponding air- and land-based delivery platforms; and,
- ballistic missile submarines which are capable of delivering nuclear warheads.

### **Nuclear Weapons Components (WEAP\_NUC\_COMPONENT):**

Companies that manufacture critical components for nuclear weapons or nuclear delivery systems. This category includes but is not limited to:

- propulsion and motor hardware and systems;
- electronic circuitry for flight, navigation, and targeting that is found within the missile and critical for its basic operation; and
- all other components found in conventional weapons systems that are also capable of carrying nuclear weapons.

### **Ownership of Nuclear Weapons Company (WEAP\_OWNOFNUC)**

- Companies that own 20 to 49.99 percent of a company with involvement. When a company owns 50 percent or more of a subsidiary with involvement, MSCI ESG Research treats it as a consolidated subsidiary.

NOTE: Even if the company has direct weapons involvement as a producer or support services provider, if it owns a nuclear weapons company it will appear under this factor

### **Ownership by a Nuclear Weapons Company (WEAP\_OWNBYNUC)**

- Companies that are 50 percent or more owned by a company with nuclear weapons involvement.

NOTE: Even if the company has direct weapons involvement as a producer or support services provider, if it is owned by a nuclear weapons company it will appear under this factor.

### **Nuclear Weapons Revenue**

#### **Nuclear Maximum Percentage of Revenue (WEAP\_NUC\_MAX\_REV\_PCT)**

- The recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of nuclear weapons and related systems and components.

#### **Nuclear Maximum Total Revenue (WEAP\_NUC\_MAX\_REV)**

- The recent-year revenue (USD), or maximum estimated revenue, a company has derived from the production of nuclear weapons systems and components.

The MSCI subscription service provides quarterly spread sheets for exclusive use by the City of Takoma Park. The spread sheets may be shared inter-departmentally within the city.

The MSCI standard annual subscription fee is \$8500. Please note that Doug writes in an email, "If price becomes the deciding factor, let me know, as we could make an adjustment, depending on the circumstances. I do think we can provide you with the highest quality level of service, no matter what the price!"

**OPTION 3. Proposal of Charles Johnson, former President Nuclear Free America**  
Option 3 is provided to the TPNFZ Committee by one of the former Executive Directors of Nuclear Free America via an email date September 30, 2013 to Paul Gunter, NFTPAC.

September 30, 2013

To: Paul Gunter, Takoma Park Nuclear Free Zone Committee

From: Charles K. Johnson and Jason Barker – independent researchers

Re: Proposal for Research Contract into Companies with US Nuclear Weapons Contracts

As the former Executive Director of Nuclear Free America (NFA) and its chief researcher during the early 1990s when NFA established itself as the best source in the nation for information as to which companies had weapons and nuclear weapons contracts with the US government, Chuck Johnson and Jason Barker are experienced in ferreting out the details buried in federal contract data.

Since the demise of NFA and its ceasing to publish definitive nuclear weapons maker lists since 2006, it has been difficult for social investors and municipalities to get information for nuclear weapons-free investment or purchasing decisions. We propose to fill that gap by using the current published Federal Procurement Data Center's on-line database and our own expertise to create a list of US nuclear weapons makers along with their total financial involvement in that activity. This list would come in the form of an electronic document that could be republished without limitation for internal use by Takoma Park employees and by the Takoma Park Nuclear Free Zone Committee in any way it sees fit. Unlike Nuclear Free America or the Eagle Eye Press of old, or current suppliers of similar products, we would not retain proprietary interest in this list.

Using the most recent FPDC data available, we can apply designate weapons and product/service codes to contract data from the US Department of Defense and Department of Energy and create lists of all the contractors with their total contract amounts on a simple spreadsheet that can be read or sorted turned into reports. We would be able to apply the "broad" definition of nuclear weapons that is in the City of Takoma Park's nuclear weapons free zone law to our work to give you a customized result.

In addition, we would provide for no additional charge six research support and data look-up calls to help you provide verification to companies that they are, indeed, listed as nuclear weapons makers according to your definition and federal contract data.

Because this will be the first time we have done this process in fifteen years, we ask to be paid \$3,000 for providing this service for the first year. In succeeding years we hope to ask for half that amount to provide Takoma Park and the rest of the country with accurate nuclear weapons manufacturer information. It would be payable one month after receipt of the electronic document, allowing the City of Takoma Park the chance to verify with us, at no charge, that the document is accurate and useful.

This would be an independent service contract with Charles K. Johnson who would subcontract with Jason Barker for his services. Johnson is currently the Director of the Joint Task Force on Nuclear Power for the Oregon and Washington Chapters of Physicians for Social Responsibility in Portland, Oregon. Barker is a post-doctoral researcher in Forest and Conservation Sciences at the University of British Columbia in Vancouver, British Columbia.

We cannot and do not guarantee the accuracy of the FPDC contract data and would retain responsibility only for the designations of nuclear weapons and nuclear weapons systems used to define and customize the database. The database does not include DOD or DOE subcontracts (those negotiated between prime contractors and their subcontractors), for which no data are publicly available from any source.

Please call Chuck Johnson at [\(503\) 777-2794](tel:5037772794), or write to [johnsonc20@gmail.com](mailto:johnsonc20@gmail.com) or 5031 SE Haig St., Portland, Oregon 97206, if any of this is unclear. Thank you!

The NFTPC is in the process of reviewing the three options and does not make a recommendation at this time.

Respectfully,

Jay Levy, Chair, NFTPC

Paul Gunter, member, NFTPC

Polly Kanazaki, member, NFTPC

Julie Boddy, member, NFTPC

Linda Gunter, member, NFTPC