

Business Briefs

Power

Two Nuclear Plants Proposed for Texas

If approved, two new nuclear power plants would come on line in 2014 at a Bay City, Texas site on the Gulf Coast. Together the plants would generate 2,700 megawatts of electricity.

The two plants are part of a broader plan announced by NRG Energy, Inc. on June 21, to expand the generating capacity by 10,500 megawatts over the next decade, using nuclear-, coal-, and gas-fired plants.

Building the nuclear plants would cost some \$5.2 billion. The entire project would cost about \$16 billion.

The plan must be approved by NRG's partners in the existing South Texas nuclear facility, CPS Energy and Austin Energy.

The new nuclear plants would be Advanced Boiling Water Reactors based on the certified GE design. The company says the units will each contribute \$9.2 billion of economic activity for Texas, and result in 5,600 new permanent jobs statewide, including 500 new operating staff for each unit.

Privatization

Pirates at Trough: Government-by-Contract

Government-by-contract is ballooning out of control under the Bush/Cheney regime. This is documented in a report released June 19 by the staff of Rep. Henry Waxman (D-Calif.), the ranking Democrat on the House Government Reform Committee. According to the report, Federal contracting grew from \$203 billion a year in 2000 to \$377.5 billion in 2005, an increase of 86%. "Under President Bush," the report says, "the federal government is now spending nearly 40 cents of every discretionary dollar on contracts with private companies, a record level."

Nearly half the growth in discretionary spending during this period was accounted for by the growth in contracting. The Penta-

gon accounted for most of this growth, going from \$133.5 billion spent on contracts in 2000, to \$270 billion in 2005.

The top five contractors in 2005 accounted for \$80 billion or 21% of all Federal procurement spending, with Lockheed Martin at the top of the heap with \$25 billion made from government contracting in 2005.

The fastest growing contractor, however, is Dick Cheney's Halliburton, which went from \$763 million received from contracting in 2000 to nearly \$6 billion in 2005, an increase of an astounding 672% over the six years. Abuse of the contracting process also climbed, with an even faster rate of growth of non-competitive contracts, which grew 115%, from \$67.5 billion in 2000 to \$145 billion in 2005.

The report identifies three major contracting "binges" since 2001, these being Iraq reconstruction, homeland security, and Hurricane Katrina. "Each initiative has been characterized by extensive waste, fraud, abuse, and mismanagement in contract spending," the report says.

Water

As London Dries Up, Speculators See Gold

The run-down, privatized water system in Britain is unable to deal with the current drought, which in the London area and other parts of southern England is having drastic effects on water availability.

Temperatures are unusually high, and ground water levels alarmingly low.

Firms which use large quantities of water face having their supplies reduced to the point that some may have to halt production.

The main private water supplier, Thames Water, which was bought in 2000 by German RWE, has officially applied for a ban on the use of water for gardens and car washing.

The present water shortages are the result of lack of investment, dating back particularly to the years of former Prime Minister Margaret Thatcher's water privatization

in 1989. Little has been invested in the pipeline system, in reservoirs, and water management.

Some leaking pipes date back to the era of Queen Victoria.

Since (government-regulated) prices could not be increased to high rates, as in the early period of privatization, the "incentive" to invest into repair, construction, and expansion of the system, dried up.

Thames Water's pipes lose about 915 million liters a day, about one-third of which is being pumped out of the ground. With that amount of water, a city with 2.5 million people could be supplied, according to research calculations. (In comparison: In 1995, the municipally run Hamburg, Germany water system had a loss of less than 5%.)

With the aid of Goldman Sachs, such financial speculators as Terra Firm, the Australian Macquarie Bank, and the Spanish giant FCC are now expressing interest in Thames Water.

Natural Gas

Italy, Hungary, Turkey In Deals With Russia

During Italian Premier Romano Prodi's visit to Moscow on June 20, agreement was reached by Gazprom and Italy's ENI, on joint development of gas fields in the Barents Sea, and Russian participation in the Italian consumer market.

Gazprom also published, on June 22, a strategic cooperation deal with MOL, Hungary's energy monopoly, on a gas and oil pipeline, storage, and investment projects in the Balkans and the eastern Mediterranean.

The announcement coincided with President George W. Bush's arrival in Hungary.

In a related energy cooperation development, the Turkish government announced on June 21, that it would stick to its plan to have a pipeline built from the Black Sea coast to the Mediterranean, for transporting Russian gas from the Blue Stream pipeline to Europe and the Mideast, replacing transfer through the Bosphorus Straits. This pipeline project involves Italy's ENI, as well.