

**PREPARED STATEMENT OF  
U.S. SECRETARY OF ENERGY BILL RICHARDSON  
BEFORE THE SENATE COMMITTEE ON ARMED SERVICES  
MARCH 9, 2000**

Thank you, Mr. Chairman and Members of the Committee for the opportunity to testify on behalf of the Department of Energy's Budget Request for Fiscal Year 2001.

I want to start off by telling you how much I appreciate the support this Committee has demonstrated for the Department's national security missions. Your critical backing enables us to tackle the challenging assignments America asks of us.

In the past year, I have made some aggressive decisions to turn the Department of Energy around -- on backing our workers despite our past record; on tritium production; on improving security; on expanding our international role and our energy diplomacy; on improving our contracting procedures; on putting safety and the environment ahead of business as usual; on changing the management and culture of this department; and putting a stop to racial profiling.

I think we have made progress.

In *national security*, the Departments of Energy and Defense certified for the third consecutive year that the safety, security and reliability of our nation's nuclear weapons stockpile could be assured without nuclear testing. And we are well on our way to our fourth certification. We also completed important agreements with Russia to promote non-proliferation.

For the *environment*, we opened the Waste Isolation Pilot Plant in New Mexico, the nation's first nuclear waste repository. We formed partnerships with governors to clean up and close former nuclear weapons production sites, and set aside over 300 thousand acres as wildlife preserves in Washington, Colorado, Tennessee, South Carolina, Idaho, and New Mexico.

**THE DEPARTMENT OF ENERGY FY2001 BUDGET IN BRIEF**

The Department of Energy's FY 2001 budget request is \$18.9 billion dollars. This is nearly \$1.6 billion over this year's appropriation -- a nine percent increase.

We propose the following increases to help the Department meet its missions:

- \$ Advancing science and technology, an increase of \$337 million dollars;
- \$ Protecting our national security by keeping our nuclear weapons stockpile safe, secure, and reliable; and addressing the proliferation of weapons of mass destruction, a \$502 million dollar increase;

- \$ Expanding our energy options to make our supply dependable and our use of resources more efficient and affordable, an increase of \$176 million dollars; and
- \$ Cleaning up the environmental legacy of the Cold War era, a \$511 million dollar increase.

Examining these missions, you will find that there is a common thread running throughout: **science**. The very theme we selected for this year's budget **B Strength through Science B** speaks most clearly to the way we get things done, and speaks to the very heritage that helped build this Department.

Science and technology is the foundation of the Energy Department. In fact, \$7.6 billion dollars, or 40 percent, of our request is included as research and development in the President's Budget, and it is up nearly eight percent over the FY 2000 level.

This is the largest increase in our science budget since 1992, and reflects our commitment to keeping America at the cutting edge of scientific innovation.

Science informs all the components of this request. Science will:

- \$ allow us to pursue research and development of the highest caliber;
- \$ fuel us in our search for new energy sources, which will help ensure our greater energy security;
- \$ help us reinforce our commitment to safely accelerate cleanup at former nuclear weapons sites, cut costs to the taxpayer, and help us ensure safety across the entire Department; And
- \$ science will continue to furnish us with the knowledge that the deterrent that helps keep our nation free is safe, secure, and reliable.

This budget will help us move forward, using the power of science to better strengthen our nation.

### **NATIONAL SECURITY**

For national security programs, the FY 2001 budget proposes \$6.6 billion, an increase of \$502 million, or eight percent, over the FY 2000 comparable level. As you know, on March 1, 2000, the Department's defense mission was restructured into the National Nuclear Security Administration (NNSA). We consolidated the Defense Programs, Non-proliferation and National Security, Fissile Materials Disposition, and Naval Reactors offices into the NNSA. On March 1, 2013 employees were reassigned to the NNSA. Organization charts and mission and function statements are in place. Delegations of authority to the NNSA Administration are in place and positions have been established.

The FY 2001 budget for the NNSA will total \$6.2 billion, an increase of \$432 million over

this year's level. Funding for the NNSA programs is as follows:

\$ \$4,594.0 million for Defense Programs  
\$ \$ 682.6 million for Nonproliferation and National Security  
\$ \$ 223.4 million for Fissile Materials Disposition  
\$ \$ 677.6 million for Naval Reactors

I pledged to the Congress last fall that I took very seriously my charge from Members in both Houses to find a first rate person for the position heading this agency. I believe I have found that person: Air Force General John A. Gordon, Deputy Director of Central Intelligence at the Central Intelligence Agency. I am looking forward to his prompt confirmation **B** to a three-year appointment **B** in the Senate.

It is critical for General Gordon to be confirmed for a three year appointment. I am proposing a change in the law to specify him to serve at least a minimum of three years. The change in law should not preempt the President from removing the incumbent nor should it include language that would allow removal for cause. This change would be much like the statutes allowing for the appointments of the Joint Chiefs. A three year appointment is a serious commitment to making the NNSA Act work in a way that supports the mission of the Department of Energy.

With your help, I hope to have the Undersecretary and the Deputy Administrator for Defense programs nominated and confirmed by the Senate by the early spring. With these positions filled we can then further review the staffing of the NNSA to determine the optimum use of personnel, using the 300 excepted service positions and buy out authority provided in the legislation passed last year.

In addition, the Offices of Defense Nuclear Security and Defense Counterintelligence have been established with a Chief of Defense Nuclear Security, a Director of Emergency Operations, and a Chief of Defense Counterintelligence. The General Counsel and Deputy General Counsel positions have also been put in place. NNSA Field Office Managers at Oakland, Oak Ridge, and Savannah River Operations Offices have been instituted.

I hope we can work together to ensure that DOE meets the standards on security, counterintelligence, safety, health, the environment, accountability, responsibility and efficiency I think we agree on. Let me be clear, I will not implement the NNSA law in a way that undermines the tremendous progress the Department has made in these areas.

Now, let me discuss those programs within the NNSA.

### **DEFENSE PROGRAMS**

Within the new NNSA's Defense Programs purview, we will invest \$4.6 billion, an increase of \$273 million, to strengthen our stockpile stewardship program. This is broken out in the

following major components:

- \$ 836.6 million for *Directed Stockpile Work*
- \$ 1,029.9 million for *Campaigns*
- \$ 1,953.6 million for *Readiness in Technical Base and Facilities*
- \$ 115.7 million for *Secure Transportation Asset*
- \$ 414.2 million for *Construction*

This request will address the many issues identified in the 30-day comprehensive review of this program conducted by Under Secretary Ernest Moniz. These resources are needed to maintain a skilled and motivated workforce throughout the complex and to further develop and implement the tools required to ensure the safety, security, and reliability of America's nuclear deterrent without nuclear testing.

The FY 2001 request for *Defense Programs* supports the current infrastructure and anticipates no additional layoffs, supports ongoing initiatives, protects the highest priority work associated with pit aging issues and surety improvements, and provides significant growth in stockpile activities. We have also identified an additional \$55.0 million needed in supplemental FY 2000 funding to cover expenses at DOE's weapons production facilities needed to preserve critical skills in the workforce and meet DOE/DOD weapons refurbishment schedules.

In the FY 2001 *Defense Programs* request is \$595.2 million for the *Accelerated Strategic Computing Initiative (ASCI)*, an increase of \$85.0 million above the FY 2000 comparable level. ASCI will provide leading-edge, high-end super computing simulation capabilities need to meet weapons assessment and certification requirements without nuclear testing.

With regard to the *National Ignition Facility (NIF)*, we request \$80.0 million for Operations and Maintenance and Construction. We have made significant changes in the NIF execution plan to address issues regarding assembly and installation of the laser infrastructure. As such, a new NIF baseline will be submitted to the Congress by June 1, 2000.

Our Defense Program continues to break new ground in the scientific, technical and computational fields. Some examples include:

- \$ the first-ever three dimensional simulation of a nuclear weapons explosion, a calculation that took our Pacific Blue supercomputer at Lawrence Livermore National Laboratory 20 days -- but that would take an average desktop machine 400 years;
- \$ Our stockpile life extension program is also improved, as we better understand aging weapons;

- \$ we are delivering refurbished W-87 Peacekeeper warheads to the Air Force;
- \$ re-establishing pit production capability at Los Alamos;
- \$ assuring a new source of tritium using Tennessee Valley Authority Reactors; and
- \$ have conducted a successful series of sub-critical experiments at the Nevada Test Site.

### **NONPROLIFERATION**

Another crucial component of our national security budget is our extensive nonproliferation work, which helps to ensure that Americans can enjoy a future that is safe and secure. The total FY 2001 request for the Office of Nonproliferation and National Security is \$682.6 million, a \$135.4 million increase over the FY 2000 comparable level.

#### **A. Russian Nuclear Materials Security**

One of the pillars bolstering our national security was formed when President Clinton launched the Expanded Threat Reduction Initiative (ETRI), designed to minimize the chances of fissile material and sensitive Weapons of Mass Destruction (WMD) technology falling into the wrong hands **B** the specter of which is the greatest threat facing our country today.

The Department of Energy has played a major and extraordinarily successful role in these threat reduction activities. However, even though the United States Government has helped Russia to protect tons of vulnerable material from theft or diversion, it is clear to us that there is still highly attractive fissile material that has not received sufficient protection.

To bridge this gap, the Administration is proposing a new initiative that expands our cooperative efforts with Russia to include plutonium derived from spent fuel produced in civilian nuclear power plants. Other parts of the initiative take work already underway with our Russian counterparts to entirely new stages, such as the expansion of our material protection and control work at sensitive Russian Naval sites as well as our efforts to work with the Russians to accelerate closure of their nuclear weapons plants.

This budget proposes \$100.0 million for this new initiative. The proposed *Long-Term Nonproliferation Program for Russia* responds to recognized, but previously unaddressed threats to U.S. national security. It builds on successful ongoing projects and allows DOE to take advantage of new opportunities presented by Russia to reduce the production of plutonium. The program will offer incentives, including a joint R&D program for enhancing proliferation resistance of nuclear fuel cycle technologies; the construction of a dry spent fuel storage facility at Mayak; and the exploration of permanent disposition options for spent nuclear fuel and high level waste in Russia.

Through the tremendous dedication of our Federal staff and laboratory experts, our Russian

Materials Protection, Control and Accounting work has expanded into all facets of the Russian nuclear complex, including naval and military sites, civilian plants, and transportation. Department of Energy projects are now active in dozens of sites throughout the former Soviet Union.

### **B. Nuclear Cities Initiative / Initiatives for Proliferation Prevention**

We also see excellent prospects for our Initiatives for Proliferation Prevention and our Nuclear Cities Initiative -- both designed to prevent a brain drain from Russia and other former Soviet states by creating civilian employment for former weapons scientists and workers. We now have new opportunities to work with the Russians to accelerate the downsizing of their nuclear infrastructure. To do so, we request an increase for our *Nuclear Cities Initiative* (+\$10.0 million).

### **FISSILE MATERIALS DISPOSITION**

Our budget also advances the disposal of Russian military plutonium and supports the design of facilities needed to dispose of excess plutonium in the U.S. DOE is proceeding with a hybrid plutonium disposition strategy that includes immobilizing surplus plutonium with ceramic material and another option to burn the material as mixed oxide (MOX) fuel in domestic commercial reactors. The \$223.4 million request for the Office of Fissile Materials Disposition continues U.S. surplus materials disposition at the FY 2000 level, and allows for additional design activities.

### **NAVAL REACTORS**

For FY2001, the Office of Naval Reactors will maintain an integrated, comprehensive, and far-sighted analytical, developmental, and testing effort for existing and future reactor plants. This will be accomplished by: continuously testing, verifying, and refining reactor technology, and integrating new technologies and techniques into existing system and component designs to improve overall reactor plant performance, reliability, and longevity; rigorously testing materials, fuel, cores, components, and systems; and developing simplified, more affordable reactors with improved power capabilities, increased endurance, and added dependability. These continuing development efforts are yielding greater capabilities. Major efforts for the near future include upgrades to existing components and equipment to help extend operating lifetimes and improve overall reactor plant performance; development of the reactor for the Navy's new CVNX aircraft carrier; and development/testing of the next generation reactor components and systems for the Navy's new VIRGINIA class attack submarine.

### **OTHER DEFENSE ACTIVITIES**

The budget supports the bold measures I undertook last year to improve security at all Energy Department sites with national security missions. Our national laboratories are now governed by dramatically different and new security procedures. And over the past two years we doubled the budget of the office of counterintelligence, and we will continue to take firm steps to tighten security at our labs. These offices remain a part of the Other Defense

Activities account and include:

- \$ 38.0 million for *Intelligence*
- \$ 45.2 million for *Counterintelligence*
- \$ 24.5 million for *Worker and Community Transition*
- \$ 320.4 million for *Security and Emergency Operations*, and
- \$ 14.9 million for *Independent Oversight and Assurance*

This year, we will also present the first consolidated security budget to Congress as an amendment to the FY 2001 request. The consolidated funds will be managed by the Director of the Office of Security and Emergency Operations, General Eugene Habiger, to ensure that our resources are directed more effectively to achieve our security objectives.

### **ENVIRONMENTAL QUALITY**

For FY 2001, the Department requests \$6.8 billion for *Environmental Quality* programs. The FY 2001 request will enable us to address the highest human health, safety, and environmental risks within the Department of Energy complex. It will also allow the Department to continue progress to answer some of the most critical questions in the area of long-term nuclear waste disposal.

### **ENVIRONMENTAL MANAGEMENT**

A total of \$6.3 billion is requested for *Environmental Management* programs consisting of five elements:

- \$ 1,082.3 million for *Defense Facilities Closure Projects*
- \$ 4,551.5 million for *Defense Environmental Restoration and Waste Management*
- \$ 515.0 million for *Defense Environmental Management Privatization*
- \$ 286.0 million for *Non-Defense Environmental Management*
- \$ 303.0 million for *Uranium Enrichment Decontamination and Decommissioning Fund*

These amounts are required to ensure each cleanup site meets safety and legal requirements, to support accelerated cleanup and site closure, and to maintain other critical environmental priorities. In March 1999, we made great progress when we opened the Waste Isolation Pilot Plant in New Mexico as a safe, permanent disposal location for transuranic nuclear wastes. The FY2001 request represents an increase of approximately \$467 million over the FY2000 appropriation to continue making progress in completing cleanup and closing sites.

Also last year, I reached agreement with the Governors of Colorado, South Carolina, Tennessee, and Washington on a Statement of Principles laying the foundation for a cooperative working relationship between DOE and the states with DOE cleanup sites. Each Statement of Principles outlined common issues, as well as those specific to individual states,

and delineated them in a manner in which DOE and the states will work cooperatively to clean up the lingering Cold War legacy. The mutually agreed upon issues include: completing the cleanup of the nuclear weapons sites as expeditiously as possible, and in compliance with state and federal regulations; obtaining a commitment to seek predictable and adequate funding for the cleanup; continuing investments in science and technology; and protecting groundwater assets.

The budget request of \$664.7 million supports closure of Rocky Flats by December 15, 2006, the closure date targeted in the new cost-plus-incentive-fee contract that took effect February 1, 2000. The Rocky Flats Site is the largest site challenged to accelerate site cleanup and achieve closure in 2006, and to date significant progress has been made towards making this goal a reality.

The FY 2001 request furthers our efforts to protect the Columbia River by beginning the removal of spent nuclear fuel from the K-Basins at Hanford in November 2000. This project will carry out a first-of-a-kind technical solution to move 2,100 metric tons of corroding spent nuclear fuel from at-risk wet storage conditions in the K-East and K-West basins adjacent to the Columbia River into safe, dry storage in a new facility away from the river.

#### **A. Cleanup at Gaseous Diffusion Sites**

This year we have taken strong action to address reports of alleged health and environmental problems at DOE's Gaseous Diffusion Plant (GDP) in Paducah, Kentucky that surfaced in late July 1999.

Immediately, I announced a strategy to investigate, identify, and remedy any past or remaining health, safety, and environmental problems at the operating GDPs at Paducah, Kentucky and Portsmouth, Ohio. I appointed an investigation team that made recommendations which resulted in a request for funding to achieve health surveillance, safety assessments, and environmental remediation goals within an expedited time frame. The Administration also has submitted a \$26.0 million FY 2000 Supplemental Budget Request to Congress to address additional concerns. Together, the supplemental request and the FY 2001 budget will significantly increase funding for the two GDP sites.

#### **B. EM Privatization**

The increased request will provide for more progress in cleaning up and reducing risks from the environmental legacy of the nation's nuclear weapons program. The FY20021 privatization request includes \$450 million in budget authority to develop treatment facilities that will vitrify at least 10% by volume of the 54 million gallons of high level waste now stored in underground tanks at the Hanford Site in Washington. The Department is using a privatization approach that shifts many of the technical and performance risks

#### **ENVIRONMENT, SAFETY AND HEALTH**

Within the \$166 million total requested for Environment, Safety and Health programs is \$17

million for the *Energy Employee Compensation Initiative*. Pending now before Congress is legislation to establish an occupational illness compensation program for the Department of Energy's contract workers at its nuclear facilities.

In response to worker health concerns, I have also established the *Chronic Beryllium Disease (CBD) Prevention Program*. Contractors at DOE sites with the potential for worker exposure to beryllium, a metal used in many nuclear applications, are required to submit a detailed plan to meet prevention program requirements. This is intended to minimize the number of future cases of disease from current workers. The program also calls for monitoring the health of beryllium-associated workers to promote early detection of CBD. By the end of this month, the President will receive an interagency study on the health of our workers complex wide to determine whether benefits should be extended to other sites.

### **NUCLEAR WASTE DISPOSAL**

We are also requesting a total of \$438 million in FY 2001 for Radioactive Waste Management activities. This is an increase of \$86 million over the FY 2000 program level. A total of \$358 million supports characterization activities at the Yucca Mountain site, an increase of \$77 million over the FY 2000 level. The increase for Yucca Mountain design and engineering work allows DOE to maintain the schedule of work included in the Viability Assessment. The work performed in FY 2001 will end the site characterization phase of this project and support completion of the scientific and technical work necessary to determine whether the Yucca Mountain site is suitable for development as a geologic repository.

### **MANAGEMENT**

In the past year, a top priority has been to improve the way DOE manages its people, its resources, and its programs. My senior managers and I have given management inefficiencies our closest attention and, I'm proud to report, we have achieved some excellent results - and we expect more. We listened to Congress, we studied DOE's business operations, we designed needed management reforms and we put them into action.

First, we changed the way headquarters and the field interrelate. We instituted a Field Management Council to bring coherence and weigh competing demands for requirements on the field, and assigned Lead Principal Secretarial Officers (LPSOs) responsibility for specific sites within the complex. We hired new managers at almost all our sites throughout the complex.

Second, we increased the accountability of our top managers. We are depending more upon line management, have empowered LPSOs, and are holding them accountable for their specific areas of responsibility.

Third, working with the Congress, we regained control of assigning M&O contract employees to the Washington area. We restructured assignment procedures for these

employees in Washington, required specifically defined tasks from them, and ordered closure of most M&O Washington offices reimbursed by DOE.

Fourth, working with the Congress, we are applying sound business principles to management of our construction and environmental remediation projects. We established and staffed the Office of Engineering and Construction Management to make major fundamental changes in our project management procedures, principles, and practices.

And fifth, we initiated several immediate actions to correct security and counterintelligence problems within the Department that had existed for years, but had not received the appropriate level of attention. We have made substantial progress on an extensive program of security and counterintelligence improvements, including:

- \$ Creating the Office of Security and Emergency Operations, consolidating the security functions throughout the Department;
- \$ Instituting a bottom-up internal security review; and,
- \$ Creating the Office of Independent Oversight and Performance Assurance, which independently oversees security, cyber security, and emergency management within the Department and reports directly to me.

Last year I launched the *Workforce for the 21<sup>st</sup> Century Initiative* to build a talented and diverse workforce to strengthen our technical and management capabilities and address new challenges. Workforce 21 addresses workforce readiness issues exacerbated by the downsizing of the federal government B significant skills gaps within the scientific and technical areas and an aging workforce. Only 11 percent of the Department's workforce is under the age of 35 and only 8 percent of the technical workforce is under 35. For the first time in four years, under Workforce 21, the Department has been able to target hiring of key technical personnel and strengthen recruitment and internship programs to create a pipeline of employees ready to enter the DOE workforce at the entry and mid-level jobs.

Increasingly, we are competing with private industry to recruit and retain the highly skilled personnel required to deliver our missions. The growing skills gap has been recognized by this Committee, the Chiles Commission, the General Accounting Office, and our own Office of Inspector General. To address part of the scientific skills gap, I am proposing a Scientific Recruitment and Retention Initiative in this budget which totals \$10.0 million.

We will continue to improve the Department's internal management capabilities to realize the full potential which our workforce and facilities hold for America. We've made progress in many area, but we're far from finished. This budget will help us go farther. It is a forward-looking request emphasizing investments for the future.

## CONCLUSION

Our FY 2001 budget is a strong statement reflecting this Administration's commitments to

the American people. It is a request that emphasizes our strength in science and enables us to effectively deliver our missions.

I look forward to working with you, Mr. Chairman, to meet our responsibilities to the American people.