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**STATEMENT OF THE HONORABLE DUNCAN HUNTER,
CHAIRMAN, MILITARY PROCUREMENT SUBCOMMITTEE
HEARING ON THE FISCAL YEAR 2001 BUDGET REQUEST FOR THE DEPARTMENT OF
ENERGY'S DEFENSE-RELATED PROGRAMS**

The Subcommittee meets today to consider the Department of Energy's budget request for Defense Related Activities. While the general public may think of the Department of Energy only in terms of petroleum exploration technologies and alternative energy sources, this Subcommittee has a much different perspective. We recognize the Department as responsible for a critical element of our national security: maintaining the safety, security, and reliability of the Nation's nuclear weapons stockpile. This Committee has oversight and authorization responsibility for roughly two-thirds of the Department of Energy's annual budget – the defense activities component – for which the request is \$13.0 billion for FY 2001.

I think I speak for members on both sides of the aisle when I say that we do not take our authorization and oversight responsibility lightly. That is why, when faced with the loss of secret nuclear weapons information through espionage, and reports of a department in organizational disarray, we had to act. Last year this committee played a significant role in the formation of the National Nuclear Security Administration. The birth of this semi-autonomous agency may have been difficult, but I feel that it was necessary to shelter the nuclear weapons complex from security problems and dangerous mismanagement. I hope the Department's leadership will begin to earnestly implement the reorganization, rather than try to work *around* the NNSA.

In addition to the organizational challenges that have preoccupied us for some time, the nuclear weapons complex faces serious programmatic difficulties that have been highlighted in two recent studies, the Department's 30-Day Review and the Foster Panel review mandated by Congress last year.

Both note that high quality, skilled personnel are needed, but that the workforce in this key area is aging and finding, hiring, and retaining new talent is very difficult. We in Congress have tried to provide DOE and the NNSA with a number of tools to support a restructuring of the workforce to meet these demands, including authority to hire skilled scientists and engineers outside the restrictions of the civil service system. So far, however, we have scant evidence that DOE has done serious planning to use these tools.

Both studies also note that strong scientific and manufacturing capabilities are needed to support the nuclear stockpile. We will need the witnesses to tell us whether the \$4.6 billion requested for defense programs this year will provide that support. The production plants and laboratories have an aging

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infrastructure inadequate to today's missions and safety standards. Yet, I note the infrastructure spending for the nuclear weapons plants actually declines in the budget request we have before us.

Beyond these broad problems in Defense Programs, there are key programs to which we will need to pay particularly close attention. These include the National Ignition Facility which we're told is about 30 percent over cost and probably two years behind schedule; the effort to develop facilities and experimental programs to help us understand the physics of the initial explosions that trigger our nuclear weapons, which is not working well and for which funding is inadequate; and the advanced strategic computing initiative for which the overall budget request, has blossomed to nearly \$800 million—and even at that funding level, delivery of one advanced computer has been delayed, and one of the computer contractors may drop out of the program.

It's no wonder that the 30-Day Review describes the weapons program as "wound too tight."

The other very large portion of the DOE budget over which we have jurisdiction is environmental management, for which the Department has requested \$6.1 billion. One of the single largest projects, and the one that has shown the largest increase in the budget request is the Hanford Tank Waste Remediation System. This project's goal is to extract, treat, and dispose of radioactive waste stored in large underground tanks near Richland, Washington. A new contracting approach is to be used on this project. Through a "privatization" approach, the contractors on this project will design and build the waste treatment facilities using private capital – their own funds and funds borrowed through financial markets. The government will not pay the contractor for design and construction work until the treatment facilities are constructed, and they begin to produce treated waste.

Although the privatization approach is intended to provide an incentive for successful completion of the environmental cleanup project, we need the witnesses to explain the support DOE will be required to provide in cases where the contractor runs into delays in construction or waste processing and defaults on the private sector loans. We also need the witnesses to discuss the estimated costs of the project, including the estimated cost of private sector loans, costs that DOE will eventually have to pay. Finally, we need to be sure that the cost of private sector financing is not excessive in light of the credit support DOE may be required to provide.

Nonproliferation issues will also be discussed. The FY 2001 budget request contains \$906 million for nonproliferation and fissile materials disposition. We welcome testimony from the Department on their experiences in securing weapons-usable nuclear material in Russia, and their efforts to negate temptations that could draw Russian nuclear weapons scientists into the weapons programs of unfriendly states.

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