Report of the Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise

Prepared Statement by Co-Chairman Mr. Norman Augustine

Mr Chairman and Ranking Member, thank you for the opportunity to discuss the findings and recommendations of the Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise. As you know, Admiral Rich Mies and I served as its co-chairmen.[1]

Congress tasked our Panel to broadly examine the performance of the Nuclear Security Enterprise and to consider alternatives. Our report was completed about 15 months ago, in November, 2014. The Panel's work relied on our twelve members' decades of experience of a broad scope dealing with Nuclear Enterprise issues; we reviewed thousands of pages of previous studies; we conducted on-site visits to numerous installations; and we benefitted from the views of dozens of expert witnesses, including officials in the Department of Energy, as well as in DOD, State, DHS, and the Intelligence Community. We benchmarked NNSA against proven management approaches used by other high-performing, high-technology organizations both in the private sector and in government. We appreciate the active engagement of our colleagues on the Panel and the candor of those we have interviewed.

Let us state at the outset that our panel found that the current viability of our nuclear deterrent is not in question. And, despite the flaws in management, which were the focus of our work, we have found examples of success in NNSA's endeavors. To date, Science-Based Stockpile Stewardship has succeeded in sustaining confidence in our nuclear deterrent. Extraordinary technical innovation on the part of NNSA's scientists and engineers has produced dramatically increased understanding of our aging nuclear weapon stockpile. The labs and plants are providing solid support to non-proliferation efforts and unique expertise to the Intelligence Community. NNSA's Naval Reactors organization continues to provide world class performance in the development and support of the most advanced naval nuclear propulsion systems in the world.

[1] The other Panel members are: Dr. Michael Anastasio, Admiral Kirkland Donald, U.S. Navy (ret.), Mr. T.J. Glauthier, The Honorable David Hobson, Dr. Gregory Jaczko, Dr. Franklin Miller, Dr. William Schneider, Jr., The Honorable John Spratt, Jr., The Honorable Ellen Tauscher, and The Honorable Heather Wilson.

At the same time, the governance and management structures and practices we observed were not on par with the quality of DOE's technical and engineering capabilities. Serious management lapses over the years have undermined NNSA's and DOE's credibility in Congress, in DOD, and in the other Agencies that rely on DOE. Our findings are consistent with those of numerous earlier studies, and they were recently reaffirmed by the Glauthier-Cohon Panel, which you will also hear from today. We concluded that DOE governance practices are most certainly inefficient and in some instances ineffective, putting the entire Enterprise at risk over the long term.

Our panel's members were unanimous in support of the panel's findings and recommendations—as they were in their sense of urgency for action. In a moment, my partner Admiral Rich Mies will discuss the specifics of our recommendations--the "New Foundations" for governance that we propose. But, before doing so, we both thought it important to provide four observations on developments in the 15 months since our report was issued. These developments serve to validate the panel's thinking and they underscore the need for national leaders in the White House, Congress, and the Department of Energy to play their part in placing the governance of the Nuclear Security Enterprise on a solid new foundation.

First, global events reinforce our conclusion that this is no time for complacency about the nuclear deterrent.

The actions of Russia, China, North Korea, and others around the globe provide convincing proof that, like it or not, the US will need to remain in the nuclear deterrent business for as far as we can see into the future. Of particular concern is the deteriorating firewall between nuclear and conventional warfare, particularly as espoused by Russia.[2]

[2] Regarding the annexation of Crimea, President Putin in March 2015 said, "(Crimea) is our historical territory. Russian people live there. They were in danger. We cannot abandon them. We were ready to do this (put nuclear forces on alert)…. It was a frank and open position. And that is why I think no one was in the mood to start a world war."

NATO Secretary General Jens Stoltenberg on 27 May 15 in a speech at CSIS describes the Alliance's concern: "Russia's recent use of nuclear rhetoric, exercises and operations are deeply troubling. . . . Russia's nuclear saber-rattling is unjustified, destabilizing, and dangerous." Regarding Russia's announcement to base modern nuclear-capable missile systems in Kaliningrad and Russia's claim of its right to deploy nuclear forces in Crimea, the Secretary General said, "This will fundamentally change the balance of security in Europe."

America's deterrent forces remain of utmost importance; they provide the ultimate guarantee against strategic warfare and coercion. Further, our allies depend on these forces and capabilities for extended deterrence and could well pursue their own nuclear weapon capabilities if they perceive the US commitment or competency to be weakening. Other countries carefully measure US resolve and technological might in making their own decisions about proliferation and nuclear force sizing. US leadership in nuclear science is something we cannot afford to lose. We, along with our allies, are in a complex nuclear age; with several nuclear powers modernizing their arsenals, new nuclear technologies emerging, and potential new actors--as well as regional challenges--raising significant concerns. This would be a dangerous time to stumble.

Second, the President's nuclear negotiations and agreement with Iran underscore the importance of having a Nuclear Security Enterprise that is led by a Cabinet Secretary--and one who is an accomplished technical leader with credentials in nuclear as well as energy matters.

The DOE and Secretary Moniz played critical roles in the Iran negotiations. By virtue of his education and experience, Energy Secretary Moniz played a central role in drawing on expertise across the entire DOE laboratory system to provide the best possible technical support, and to lend deep technical credibility in the conduct of the negotiations. Behind the scenes, the active and effective collaboration of a number of DOE labs was vitally important. Such collaboration is equally important to the nation, if not always visible to the public, in other areas such as High-Performance Computing.

The lessons of this experience are clear: the DOE is now on the front lines for national security, science, and energy technology. Fully 43 percent of its budget pertains to the nuclear capability of our nation. If DoE is to execute its missions effectively, the President and Congress must ensure the Department is provided the best possible technical and managerial leadership—from the Secretary down through the ranks. Given such strong, effective leadership, the Department must then be structured and managed to foster collaboration across the breadth of its science and technology fields. In our view, the desire among some to continue to isolate and insulate the weapons complex is moving in the wrong direction.

Third, the lessons from the WIPP (Waste Isolation Pilot Plant) incident underscore the vital need for DOE to establish an effective operating culture for the Nuclear Security Enterprise.

In February 2014, a drum with radioactive waste ruptured inside the WIPP facility. Phase II of DOE's after action-review (released in April 2015, following the release of our report) described the incident and its causes. This review described the complex web of responsibilities associated with the waste disposal project—along with resulting lapses in leadership and accountability—resulting in missed opportunities for preventing this preventable incident. I should note that I found similar issues with management complexity and lapses in accountability when I conducted an after-action review of the Y12 security incident for then Secretary Steven Chu. (As you'll recall, this event involved a nun and two accomplices who penetrated a protected area.) The operations within the Nuclear Security Enterprise are too demanding, the consequences of failure too high, and the mission too important to the nation, to tolerate a management system with the flaws evidenced by such periodic lapses. Our panel documented the behaviors of "high-reliability" organizations to distill the operating principles for reforming DOE's governance and management structures. Our recommendations would implement such a system as a priority. Fourth, the fundamental problems observed by the panel continue to dog the program:

- A lack of sustained national leadership focus and priority, starting with the end of the Cold War, has undermined the foundation for nuclear enterprise governance and contributes to virtually all of the observed problems;
- Inadequate implementation of the legislation establishing NNSA as a separately organized sub-element of DOE has resulted in overlapping DOE and NNSA headquarters staffs and blurred ownership and accountability for the nuclear enterprise missions;
- The lack of proven management practices, including a dysfunctional relationship between line managers and mission-support staffs, has undermined the management culture within NNSA;
- Dysfunctional relationships between the government and its Management and Operating (M&O) site operators has encouraged burdensome transactional oversight rather than management focus on mission execution;
- Insufficient collaboration between DOE/NNSA and their DOD weapons partners has generated misunderstanding, distrust, and frustration.

Fifth, the needed reforms of the Nuclear Security Enterprise will require national leadership.

Since the panel's report was issued, we have had a number of interactions with Secretary Moniz and his top management staff regarding the implementation of our recommendations. In all fairness, the needed reforms pose an ambitious, hands-on challenge--and the Secretary has had his hands full with the Iranian negotiations, the N Koreans, and other pressing matters. Actions have been taken to address our concerns in some areas, particularly to improve coordination and information sharing. Progress also has been made with the Life Extension Programs as well as in re-baselining the plans for the needed Plutonium and Uranium facilities. Despite these efforts, which are useful and needed, the unmistakable conclusion of the panel's work remains valid. In the words of one witness before our panel:

The course to improve the nation's nuclear security enterprise seems clear…and the National Nuclear Security Administration has not been on it.

Success is imaginable only with the strong and active engagement of a knowledgeable Secretary, supported by both the White House and Congress. It will take time, and considerable energy from those who will commit to this important cause.

Thank you, and with your permission Admiral Mies will address our recommendations.