

**Statement of Ambassador Linton F. Brooks
Under Secretary for Nuclear Security and Administrator,
National Nuclear Security Administration
U.S. Department of Energy
Before the
House Committee on Appropriations
Subcommittee on Energy and Water Development**

**FY 2005 Appropriations Hearing
March 25, 2004**

Thank you for the opportunity to discuss the FY 2005 Budget Request for the National Nuclear Security Administration (NNSA). This is my second appearance before this Committee as the Under Secretary for Nuclear Security, and I want to thank all of the Members for their strong support for our important national security responsibilities.

OVERVIEW

The NNSA has four fundamental and unique responsibilities for U.S. national security:

- Stewardship of the Nation's nuclear weapons stockpile
- Reducing the threat posed by the proliferation of weapons of mass destruction
- Providing reliable and safe propulsion for the U.S. Navy
- Management of the national nuclear security complex, which includes both security for our facilities and materials to protect our employees and our neighbors, and sustaining the facilities infrastructure.

In the fourth year of this Administration, with the strong support of the Congress, the NNSA programs have achieved a level of stability that is required for accomplishing our long-term missions. As the post-Cold War era evolves, the NNSA is managing the Nation's nuclear warheads according to the guidance in the Nuclear Posture Review. The Department of Energy (DOE), through the NNSA, works to assure that the Nation's nuclear weapons stockpile remains safe, secure, reliable, and ready, and to extend the life of that stockpile in support of Department of Defense (DOD) military requirements. Our Nation will continue to benefit from the security that results from an effective nuclear deterrent, with confidence that the nuclear weapons complex is ready and prepared to respond rapidly and effectively if required.

Stockpile Stewardship activities are carried out without the use of underground nuclear testing, continuing the moratorium initiated by the U.S. in 1992. I am pleased with the continuing ability of the Stockpile Stewardship Program to certify to the President, through the Annual Certification Assessment Report, the safety, security, and reliability of our nuclear weapons stockpile using science-based judgments using cutting edge scientific and engineering tools as well as extensive laboratory and flight tests. We are gaining a more complete understanding of the stockpile each year. Computer codes and platforms developed by our Advanced Simulation and Computing (ASCI) program are now used routinely to address three-dimensional issues in weapons performance, contributing to continuing

certification, baseline studies, as well as supporting the upcoming refurbishment workload.

The NNSA maintains a robust infrastructure of people, programs, and facilities to provide specialized scientific and technical capability for stewardship of the nuclear weapons stockpile. This past year, Los Alamos National Laboratory manufactured the first certifiable W88 pit since the closure of Rocky Flats in 1989. Los Alamos remains on-track to certify a war reserve W88 pit by 2007. Also, in the past year, we began the irradiation of Tritium Producing Burnable Absorber Rods in a TVA reactor, restoring a key nuclear manufacturing technology. We also continue our facilities recapitalization effort. There is a notable improvement across the nuclear weapons complex, and NNSA is delivering on our promise to the Congress to stabilize our deferred maintenance in FY 2005.

The Nation continues to benefit from advances in science, technology and engineering fostered by the national security program activities, including cutting edge research and development carried out in partnership with many of the Nation's colleges, universities, small businesses and minority educational institutions. The University of Rochester's Omega laser is a key facility in NNSA's Inertial Confinement Fusion program. It provides experimental capability for Stockpile Stewardship as well as a user facility for training tomorrow's scientists and engineers. Overall, the NNSA programs, including three national laboratories, the Nevada Test Site, and the production facilities across the U.S. employ nearly 2,300 Federal employees and approximately 35,000 contractor employees to carry out this work.

In June 2002, the United States championed a new, comprehensive nonproliferation effort known as the Global Partnership. World leaders committed to raise up to \$20 billion over 10 years to fund nonproliferation programs in the former Soviet Union. The NNSA contributes directly to this effort by carrying out programs with the international community to reduce and prevent the proliferation of nuclear weapons, materials and expertise. The security of our Nation and the world are enhanced by NNSA's ongoing work to provide security upgrades for military and civilian nuclear sites and enhanced border security in Russia and the Former Soviet Union. In the past year, we have completed comprehensive materials protection control and accountability upgrades at 17 Russian nuclear facilities, and began efforts to install security upgrades at vulnerable Russian Federation Strategic Rocket Forces sites. With the support of the Congress, we are implementing an aggressive Megaports initiative to enhance global nuclear material detection at 15 major seaports shipping large volumes of container traffic to the U.S. We are reducing the world's stocks of dangerous materials such as plutonium through NNSA-sponsored Fissile Materials Disposition programs in the U.S. and Russia as well as through elimination of Russian plutonium production.

The Nation benefits from NNSA's work in partnership with the Department of Homeland Security to develop and demonstrate new detection technologies to improve security of our cities. Perhaps the most tangible benefits to the Nation following the 9/11 terrorist attacks are the "first responder teams" of highly specialized scientists and technical personnel from the NNSA sites who are deployed across the Nation to address threats of weapons of mass destruction. These teams work under the direction of the Department of Homeland Security and the Federal Bureau of Investigation to respond to nuclear emergencies in the U. S. and around the world. In the past year, these teams have provided support to such diverse groups and locations as New York City, Operation Iraqi Freedom, Olympic Planning in Athens, and the Government of Thailand. Our teams have participated in major training and exercise

events in the United States and overseas. They have developed new capabilities, including *Triage*, that enables our first responders to rapidly determine if an item of interest includes special nuclear material in yield-producing quantities.

The NNSA also works in partnership with the DOD to meet their needs for reliable and militarily effective nuclear propulsion for the U.S. Navy. In the past year, the Naval Reactors Program has completed 99 percent of the reactor plant design for the VIRGINIA-class submarine, and supported “safe steaming” of another two million miles by our nuclear-powered ships. They have continued their unsurpassed record of “clean up as you go”, including remediating to “green grass” the former S1C prototype Site at Windsor, Connecticut, and completing a successful demonstration of the interim naval spent fuel dry storage capability in Idaho.

NNSA BUDGET SUMMARY

(dollars in millions)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Office of the Administrator	330	340	- 3	337	334
Weapons Activities	5,961	6,273	- 39	6,234	6,568
Defense Nuclear Nonproliferation	1,224	1,328	+ 6	1,334	1,349
Naval Reactors	702	766	- 4	762	798
Total, NNSA.....	8,217	8,707	- 40	8,667	9,049

The FY 2005 budget request totals \$9.0 billion, an increase of \$382 million or 4.4 percent. We are managing our program activities within a disciplined five-year budget and planning envelope. We are doing it successfully enough to be able to address emerging new priorities and provide for needed funding increases in some of our programs within an overall modest growth rate – notably Safeguards and Security, Nuclear Weapons Incident Response, and Facilities and Infrastructure Recapitalization – by reallocating from other activities and projects that are concluded or winding down.

The NNSA budget justification contains the required three years of budget and performance information, as well as similar information for five years as required by Sec. 3253 of the NNSA Act, as amended (Title XXXII of the National Defense Authorization Act for Fiscal Year 2000, Public Law 106-65, 50 U.S.C. 2453). This section, entitled *Future-Years Nuclear Security Program*, requires NNSA to provide to Congress each year at the time the budget is submitted the estimated expenditures necessary to support the programs, projects and activities of the NNSA for a five fiscal year period, in a level of detail comparable to that contained in the budget. Since the inception of NNSA, the Future Years Nuclear Security Program (FYNSP) has been provided as a separate document supporting the budget request. Starting with this budget, NNSA will meet this statutory requirement by including outyear budget and performance information as part of a fully integrated budget submission.

Future Years Nuclear Security Program (FYNSP)

(dollars in millions)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
Office of the Administrator	334	340	347	353	360	1,734
Weapons Activities.....	6,568	6,881	7,216	7,353	7,492	35,510
Defense Nuclear Nonproliferation	1,349	1,381	1,410	1,441	1,465	7,046
Naval Reactors	798	803	818	834	850	4,103
Total, NNSA	9,049	9,405	9,791	9,981	10,167	48,393

BUDGET AND PROGRAM HIGHLIGHTS

There are three areas of the NNSA budget where mission priorities require us to request significant increases in funding for FY 2005.

SAFEGUARDS AND SECURITY/DESIGN BASIS THREAT

Protecting NNSA people, information, materials, and infrastructure from harm or compromise is one of our most serious responsibilities and highest priorities. The FY 2005 budget request for NNSA's Safeguards and Security Program is \$706.9 million, an increase of 21 percent over the FY 2004 enacted level, that is needed to implement a new Design Basis Threat (DBT) at all NNSA sites and facilities. The Secretary of Energy issued the new DST in May 2003, as a result of a post-September 11th analysis of the threats against which we must protect DOE sites and materials across the country. Implementation plans based on vulnerability assessments for each of the sites are in final preparation. These will delineate the upgrades and associated costs plan to upgrade service weaponry, extend explosive impact zones, consolidate nuclear material, and make additional improvements of a classified nature to bring NNSA facilities into full compliance with the new DBT by the year 2006. The FY 2005 NNSA budget includes \$107.9 million (\$89.6 in Safeguards and Security and \$18.3 million in Secure Transportation Asset) to address the new DBT. NNSA will shortly submit a request for FY 2004 reprogramming and appropriation transfer to allow this important work to continue on schedule. The FY 2006 funding request for DBT implementation will be addressed during this spring's programming process.

In recent months we have had some highly publicized occurrences at some NNSA sites. In each instance, NNSA and DOE have taken immediate and aggressive actions to address these occurrences and to ensure that any potential vulnerability is mitigated as soon as possible and that longer term fixes

are put into place as appropriate. Because of these problems, we have chartered two external review groups to provide an independent assessment of our management of security. While I am confident that there has been no compromise of classified material and that no nuclear material is at risk, I believe security can and should be improved. The Secretary and I have both made it clear that we will not tolerate any reduction, perceived or real, in our protective force readiness or in our ability to protect the complex. Funding for Safeguards and Security in NNSA has increased over 70 percent during this Administration, which is strong indicator of the priority we place on this responsibility. The Secretary and I join together in making it well known that we will not tolerate any reduction, perceived or real, in our protective forces and our abilities to protect the complex.

FACILITIES AND INFRASTRUCTURE RECAPITALIZATION

The Facilities and Infrastructure Recapitalization Program (FIRP) is essential to NNSA's ability to maintain a responsive robust infrastructure. I am pleased to note that its mission and performance is commended in the recent preliminary assessment by the National Research Council on DOE's facility management. The FY 2005 budget request for FIRP is \$316.2 million. This increase follows a two-year period of flat funding. The request restores the program to our previously requested FYNRP levels; it places the program back on our previously planned schedule and reflects our commitment to fulfill the direction of the Congress to end the program by 2011.

NUCLEAR WEAPONS INCIDENT RESPONSE

The third growth area in the FY 2005 budget request is the Nuclear Weapons Incident Response Programs. The FY 2005 request of \$99.2 million reflects an increase of 11 percent over the FY 2004 level, recognizing the greatly increased number of deployments of these assets within the United States and abroad. The long term sizing of this effort in terms of dollars and people continues to evolve along with its critical role in homeland security. We have relocated this account separately within the Weapons Activities appropriation to provide additional visibility into these programs and funding request.

At this time, I would like to focus on the remainder of the President's budget request for NNSA Weapons Activities including Defense Programs, Defense Nuclear Nonproliferation, Naval Reactors, and the Office of the Administrator accounts.

WEAPONS ACTIVITIES

The FY 2005 budget request for the programs funded within the Weapons Activities appropriation is \$6.568 billion, an increase of 5.4 percent over FY 2004 due largely to the increase in security and facilities infrastructure. Within Weapons Activities, the budget structure has been changed in response to Congressional concerns to align Directed Stockpile Work funding with individual weapon systems, and to highlight Nuclear Weapon Incident Response as a separate line.

The Nuclear Posture Review (NPR) guidance directed that NNSA maintain a research and development and manufacturing base that ensures the long-term effectiveness of the Nation's stockpile; and, support the facilities and infrastructure that are responsive to new or emerging threats.

The NPR also directed NNSA to begin a modest effort to examine concepts that could be deployed to further enhance the deterrent capabilities of the stockpile in response to the national security challenges of the 21st century.

The United States is continuing work to refurbish and extend the life of the B61, W76 and W80 warheads in the stockpile. Within the FY 2005 request of \$1.4 billion for Directed Stockpile Work (DSW), funding for the life extension programs increases by seven percent to \$477.4 million. This reflects the expected ramp up in the three systems with First Production Units scheduled in FY 2006-2009, and the completion of life extension activities for the W87. In FY 2005, DSW funding will support research and development of advanced weapon concepts to meet emerging DOD needs that will enhance the nuclear deterrent, and to ensure a robust and capable NNSA for the Future. The NPR highlighted the importance of pursuing advanced concepts work to ensure that the weapons complex can provide nuclear deterrence for decades to come. In FY 2005, \$9.0 million is requested to support the modest research and development effort in the Advanced Concepts Initiatives (ACI) to meet emerging DOD needs and to train the next generation of nuclear weapons scientists and engineers. The Robust Nuclear Earth Penetrator (RNEP) is the most mature concept being studied in this program. Funds for the RNEP study are included in the FY 2005 budget as a separate line item from the rest of the advanced concepts study activity. A request for \$27.6 million is also included for the continuing RNEP feasibility, design definition and cost study. The RNEP study was requested by the Nuclear Weapons Council in January 2002.

The RNEP study is to determine whether either of two existing warheads – the B61 or the B83 – can be adapted without resuming nuclear testing to improve our ability to hold at risk hardened, deeply buried facilities that may be important to a future adversary. The request for advanced concepts funding is to investigate new ideas, not necessarily new weapons. For example, we are currently examining the feasibility of adapting an existing weapons carrier and existing nuclear warheads to achieve a delivery system with greater assurance that the intended nuclear mission could not be compromised by either component failure or adversary attack, thus giving greater reliability for nuclear missions. Appropriate uses for additional work in advanced concepts might include examining the feasibility of warheads with improved design margins, easier manufacturing, greater longevity and improved safety. Any of these ideas would only be pursued for future development if directed to do so by the President and the Congress.

Progress in other parts of the Stockpile Stewardship Program continues. The FY 2005 request for Campaigns is \$2.4 billion, essentially level with FY 2004. This request funds a variety of Campaigns, experimental facilities and activities that continue to enhance NNSA's confidence in moving to "science-based" judgments for stockpile stewardship, and provide cutting edge technologies for stockpile certification and maintenance.

While there is no reason to doubt the ability of the Stockpile Stewardship Program to continue to ensure the safety, security, and reliability of the nuclear deterrent, the Nation must maintain the ability to carry out a nuclear weapons test in the event of some currently unforeseen problems that cannot be resolved by other means. Within the guidance provided by the Congress, we are beginning to improve our readiness posture from the current ability to test within 24 to 36 months to an ability to test within approximately 18 months. The FY 2005 budget request of \$30 million supports achieving

an 18-month readiness by September 2005. But let me be clear, there are no plans to test.

National Ignition Facility at Lawrence Livermore National Laboratory (LLNL) remains on budget and schedule. The FY 2005 request of \$130.0 million continues construction installation and commissioning of laser beams. Once complete in 2008, the 192-laser beam facility will be capable of achieving temperatures and pressures found only on the surface of the sun and in exploding nuclear weapons. We are anticipating the first Stockpile Stewardship experiments in 2004 using four laser beams. As a result of recent technical advances in capsule design, target fabrication and computer simulations, we expect to begin the fusion ignition campaign in FY 2009 with a goal of achieving fusion ignition in FY 2010. The Advanced Simulation and Computing Campaign request for FY 2005 is \$741.3 million, an increase of nearly three percent over FY 2004. Working with IBM and Cray Research, the program expects delivery of Red Storm in FY 2004 and Purple in FY 2005. These will be the world's fastest machines, operating at 40 and 100 Teraops, respectively, and they will continue to revolutionize supercomputer capabilities and three-dimensional modeling. Having these machines on-line will begin to redress the capacity and capability issues raised in the September 2003 JASONs report required by the Congress.

The NPR recognized a need, over the long run, for a Modern Pit Facility (MPF) to support the pit manufacturing needs of the entire stockpile. NNSA's FY 2005 request for the Pit Manufacturing Campaign is \$336.5 million, an increase of 13 percent over FY 2004, but with some changes since the last budget request. We delayed the final environmental impact statement (EIS) for the MPF in order to address Congressional concerns that it is premature to pursue further decisions on an MPF at this time. The decision to delay the final EIS also delays identification of a preferred site for constructing the MPF.

This decision will in no way affect the W88 pit manufacturing and recertification program underway at Los Alamos, which is reestablishing the technological base to manufacture pits and which thereby will inform many of the technology decisions which will be contained in the eventual MPF design.

Readiness Campaigns are requested at \$280.1 million in FY 2005, a decrease of about 14 percent. The decrease is attributable mainly to continuing progress in construction of the Tritium Extraction Facility that is funded within this account.

NNSA's Readiness in Technical Base and Facilities activities operate and maintain current facilities and ensure the long-term vitality of the NNSA complex through a multi-year program of infrastructure construction. About \$1.5 billion is requested for these efforts, a slight decrease from FY 2004 that is attributable to a 20 percent decline in funding needed to support line-item construction project schedules. Three new construction starts are requested.

In FY 2005 the President's budget provides a total of \$201.3 million for the Office of Secure Transportation, which is responsible for meeting the Department's transportation requirements for nuclear weapons, components, special nuclear materials and waste shipments.

The remainder of the Weapons Activities appropriation funding is for Nuclear Weapons Incident

Response, Facilities and Infrastructure Recapitalization, and Safeguards and Security, discussed earlier in this statement.

DEFENSE NUCLEAR NONPROLIFERATION

The Defense Nuclear Nonproliferation Program works to prevent the spread of nuclear weapons and materials to terrorist organizations and rogue states. The Administration is requesting \$1.35 billion to support activities to reduce the global weapons of mass destruction proliferation threat, about a one percent increase over comparable FY 2004 activities. This reflects a leveling off of growth in these important programs that have increased over 60 percent in the past four years.

Given recent threats to the United States, it has become increasingly clear that protecting and securing nuclear materials and detecting nuclear and radioactive material at foreign ports, airports, and border crossings is a very high priority. The Administration's leadership in the Global Partnership is one way that we are trying to address these issues. The FY 2005 request for programs supporting the Partnership is \$439 million. This includes an FY 2005 request of \$238 million for the International Nuclear Material Protection and Cooperation (MPC&A) Program, which supports Second Line of Defense activities and the Mega-ports Program. The Mega-ports Program was jump-started with \$99 million appropriated in FY 2003. Progress is continuing, and with the \$15 million requested in FY 2005, we will have work underway or complete at 9 of the 15 planned international ports. The \$15 million in FY 2005 is requested to train law enforcement officials and equip key international ports with radiation detection equipment to detect, deter, and interdict illicit trafficking of nuclear and other radioactive materials. We are scheduled to complete work at ports in Greece and the Netherlands by the summer of 2004. We have made a number of security improvements to Nuclear Navy sites in Russia and we are now focusing resources on securing Strategic Rocket Forces sites. In addition to this work, we are also pursuing a dialogue with countries we believe are of particular concern. We hope that these activities will lead to broader MPC&A cooperation in the coming years.

The largest activity funded by this appropriation is the Fissile Materials Disposition program. We are working to design and build facilities to dispose of inventories of surplus U.S. weapons-grade plutonium and highly-enriched uranium, and supporting concurrent efforts in Russia to obtain reciprocal disposition of similar materials.

One of the key obstacles encountered this year is a disagreement with Russia regarding liability protection for plutonium disposition work performed in that country. This has resulted in a ten-month delay in the planned start of construction of a MOX Facility in Russia as well as a similar facility in the United States. The liability issue is being worked at high levels of the Administration. The President's FY 2005 budget request seeks \$649 million for this program to begin construction of both the U.S. and Russian MOX facilities in May 2005, as we work to resolve the liability issue by this spring. Our outyear funding profiles reflect the Administration's full commitment for proceeding with plutonium disposition.

Not only are we pursuing the disposition of weapons-grade plutonium but also we are working hard to stop more from being produced. NNSA has assumed the responsibility from the DOD for shutting down the last three plutonium production reactors in Russia and replacing them with fossil fuel plants

by 2008 and 2011. This will result in the cessation of the annual production of 1.2 metric tons of weapons-grade plutonium. Under the Elimination of Weapons-Grade Plutonium Production Program, we have selected the Washington Group International and Raytheon Technical Services to provide oversight for Russian contractors who will actually be performing the work. The FY 2005 request for this effort is \$50.1 million.

In FY 2005, NNSA assumes responsibility for the Off-site Source Recovery Project from the Office of Environmental Management. The requested program funding is \$5.6 million, with a projected cost of about \$40 million over the next five years to substantially reduce the risk of these source materials being used for radiological dispersion devices. The program works closely with the U.S. Nuclear Regulatory Commission to prioritize source recovery.

The Russian reactor safety efforts under the International Nuclear Safety Program were completed successfully in 2003. The remaining \$4 million for emergency management and cooperation efforts was shifted to the Nonproliferation and International Security Program. These funds provide for the orderly shutdown of the BN 350 reactor in Kazakhstan (\$1.5 million) and continue activities to strengthen international emergency cooperation and communications (\$2.5 million). The Accelerated Materials Disposition initiative was not supported by the Congress in FY 2004 and in consideration of overall NNSA priorities, is not requested in the FY 2005 budget or outyears.

NAVAL REACTORS

The NNSA is requesting \$798 million for the Naval Reactors Program in FY 2005, an increase of about 3 percent after inflation. This program continues to be a prime example of how to manage unforgiving and complex technology. The Naval Reactors Program provides safe and reliable nuclear reactors to power the Navy's warships. It is responsible for all naval nuclear propulsion work, beginning with technology development, through reactor operations, and ultimately to reactor plant disposal. The budget increase will support 70 percent completion of the design of the next generation nuclear reactor on an aircraft carrier, and continue work on the Transformational Technology Core, which will deliver a significant energy increase to future submarines, resulting in greater operational ability and flexibility. The request includes \$6.2 million for a new construction start, the Materials Development Facility Building, in Schenectady, NY. The total cost of this facility is estimated at \$20.4 million, and is expected to be completed in 2008.

OFFICE OF THE ADMINISTRATOR

NNSA is in the final implementation phase of a re-engineering effort that follows the principles of the President's Management Agenda to modernize, integrate, and streamline operations. As a result, at the end of FY 2004, NNSA will achieve its goal of a 15 percent reduction in federal personnel since FY 2002. It is likely that the Congress will receive a request for reprogramming in FY 2004 to fund the remainder of these realignment and reengineering activities.

The FY 2005 budget request of \$333.7 million is about 1 percent below the FY 2004 appropriation. This reflects cost avoidance due to reduction of about 300 positions since 2002, and no further request for incremental funding needed to accomplish re-engineering in NNSA HQ and field organizations.

The budget request assumes that personnel reductions are achieved, restructuring finished, and associated employee transfers are complete at the end of FY 2004.

The Defense Nuclear Nonproliferation (NN) and Nuclear Weapons Incident Response programs have been excluded from staff reductions due to increased program requirements in those areas. NNSA is not requesting a separate funding control for the Office of Defense Nuclear Nonproliferation because it is no longer necessary to assure that Federal hiring goals are met for these activities that are experiencing rapid mission growth. Based on hiring to date in FY 2004, it is projected that this organization will meet or exceed its managed staffing plan goal of 244 by FY 2005. A single funding control for the appropriation is necessary to facilitate NNSA's corporate efforts to rebalance the NN's office transition from reliance on support service contractors to permanent Federal staff.

MANAGEMENT ISSUES

I would like to conclude by discussing some of NNSA's management challenges and successes. We are all aware of the management difficulties that beset the weapons laboratories last year. The contractors and NNSA/DOE have made many changes to the laboratories' management and reporting/oversight requirements in response to the problems. Soon their contracts are coming up for renewal. Secretary Abraham has outlined the Department's strategy for competing the Management and Operating contracts for our nuclear design labs in accordance with Section 301 of the Energy and Water Development Appropriations Act, FY 2004 (Public Law 108-137). On April 30, 2003, the Secretary announced that we intend to compete the Los Alamos National Laboratory contract on a full and open basis to have a contract in place by September 30, 2005, when the old contract expires.

On January 21, 2004, the Secretary reiterated his decision concerning Los Alamos National Laboratory. At that time, he also announced his decision to compete the Lawrence Livermore National Laboratory contract, as well as three other DOE laboratories, but indicated that the precise timing and form of these competitions were under consideration.

NNSA, with the concurrence of the Secretary, is establishing a Source Evaluation Board (SEB) for the Los Alamos competition. I have named Tyler Przybylek as the Chairman of that SEB and he is in the process of identifying members and advisers to the SEB. We see no obstacle to meeting the Secretary's schedule for competing and awarding a new contract or managing Los Alamos.

On the "success" side, I am proud that the Department of Energy was ranked *first* among cabinet-level agencies in the most recent scorecard to assess implementation of the President's Management Agenda. The scorecard, which evaluates agency performance in the areas of human capital, competitive sourcing, financial management, e-Government, and budget/performance integration, was issued by OMB. We at NNSA take very seriously the responsibility to manage the resources of the American people effectively and I am glad that our management efforts are achieving such results.

CONCLUSION

In conclusion, I am confident that we are headed in the right direction. Our budget request will support continuing our progress in protecting and certifying our nuclear deterrent, reducing the global

danger from proliferation and weapons of mass destruction, and enhancing the force projection capabilities of the U.S. nuclear Navy. It will enable us to continue to maintain the safety and security of our people, information, materials, and infrastructure. Above all, it will meet the national security needs of the United States of the 21st century.

Mr. Chairman, this concludes my statement. A statistical appendix follows that contains the budget figures supporting our request. My colleagues and I would be pleased to answer any questions on the justification for the requested budget.

National Nuclear Security Administration

Appropriation and Program Summary

(dollars in millions)

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Future Years Nuclear Security Program (FYNSP) Schedule

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Naval Reactors	798	803	818	834	850	4,103
Total, NNSA.....	9,049	9,405	9,791	9,981	10,167	48,393

Weapons Activities Appropriation

(\$ in Thousands)

Weapons Activities	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Directed Stockpile Work	1,259,136	1,340,286	- 13,630	1,326,656	1,406,435
Science Campaign	260,867	250,548	+ 23,300	273,848	300,962
Engineering Campaign	270,502	344,387	- 79,472	264,915	242,984
Inertial Confinement Fusion and High Yield Campaign ..	499,230	517,269	- 3,018	514,251	492,034
Advanced Simulation and Computing Campaign	674,453	725,626	- 4,250	721,376	741,260
Pit Manufacturing and Certification Campaign	261,807	298,528	- 1,738	296,790	336,473
Readiness Campaign	270,147	247,097	+ 81,819	328,916	280,127
Readiness in Technical Base and Facilities	1,480,872	1,664,235	- 123,590	1,540,645	1,474,454
Secure Transportation Asset	168,548	162,400	- 948	161,452	201,300
Nuclear Weapons Incident Response	81,114	0	+ 89,167	89,167	99,209
Facilities and Infrastructure Recapitalization Program ...	235,474	240,123	- 1,368	238,755	316,224
Safeguards & Security	558,161	585,750	- 3,280	582,470	706,991
Subtotal,	<u>6,020,311</u>	<u>6,376,249</u>	<u>- 37,008</u>	<u>6,339,241</u>	<u>6,598,453</u>
Weapons Activities					
Use of Prior Year Balances	- 29,981	- 74,753	- 2,000	- 76,753	0
Security Charge for Reimbursable Work	- 28,985	- 28,985	+ 0	- 28,985	- 30,000
Total, Weapons Activities	<u>5,961,345</u>	<u>6,272,511</u>	<u>- 39,008</u>	<u>6,233,503</u>	<u>6,568,453</u>

Defense Nuclear Nonproliferation Appropriation

(\$ in Thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Defense Nuclear Nonproliferation					
Nonproliferation and Verification					
Research and Development.....	256,092	231,997	0	231,997	220,000
Nonproliferation and					
International Security.....	130,873	110,107	+ 3,977	114,084	124,000
International Nuclear Materials					
Protection and Cooperation.....	333,029	258,487	0	258,487	238,000
Russian Transition Initiatives.....	39,081	39,764	0	39,764	41,000
HEU Transparency Implementation...	17,118	17,894	0	17,894	20,950
International Nuclear Safety.....	33,570	3,977	- 3,977	0	0
Elimination of Weapons-Grade					
Plutonium Production.....	49,221	49,735	+ 15,300	65,035	50,097
Accelerated Material Disposition.....	894	0	0	0	0
Fissile Materials Disposition.....	445,528	652,818	0	652,818	649,000
Offsite Source Recovery Project.....	2,172	0	+ 1,961	1,961	5,600
Subtotal, Defense					
Nuclear Nonproliferation.....	1,307,578	1,364,779	+ 17,261	1,382,040	1,348,647
Use of Prior Year Balances.....	-84,125	-45,000	-3,000	- 48,000	
Total, Defense					
Nuclear Nonproliferation.....	1,223,453	1,319,779	+ 14,261	1,334,040	1,348,647

Naval Reactors Appropriation

(\$ in Thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Naval Reactors Development (NRD)					
Operations and.....					
Maintenance.....	666,927	723,100	- 4,264	718,836	761,211
Program Direction.....	24,043	26,700	- 148	26,552	29,500
Construction.....	11,226	18,600	- 110	18,490	7,189
Subtotal, Naval Reactors..					
Development.....	702,196	768,400	- 4,522	763,878	797,900
Less Use of prior year.....					
balances.....	0	- 2,000		- 2,000	0
Subtotal Adjustments.....	0	0	0	0	0
Total, Naval Reactors.....	702,196	766,400	- 4,522	761,878	797,900

Office of the Administrator Appropriation
(\$ in Thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Office of the Administrator Program Direction	330,314	339,980	-3,154	336,826	333,700

Funding by General Goal

(dollars in millions)

FY 2003	FY 2004	FY 2005	\$ Change	% Change	FY 2006	FY 2007	FY 2008	FY 2009
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General Goal 1, Nuclear Weapons Stewardship

Directed Stockpile Work	1,259	1,327	1,406	+ 79	+ 6.0%	1,521	1,648	1,778	1,812
Science Campaign	261	274	301	+ 27	+ 9.9%	301	308	328	341
Engineering Campaign	271	265	243	- 22	- 8.3%	268	226	284	237
ICF and High Yield Campaign....	499	514	492	- 22	- 4.3%	521	535	437	441
Advanced Simulation and Computing Campaign	674	721	741	+ 20	+ 2.8%	782	826	834	848
Pit Manufacturing and Certification Campaign	262	297	336	+ 39	+ 13.1%	324	314	155	158
Readiness Campaign	270	329	280	-49	-14.9%	331	307	357	376
Readiness in Technical Base and Facilities	1,481	1,541	1,474	- 67	- 4.3%	1,600	1,753	1,839	1,916
Nuclear Weapons Incident Response	81	89	99	+ 10	+ 11.2%	100	101	98	101
Secure Transportation Asset	169	161	201	+ 40	+ 24.8%	185	186	190	195
Facilities and Infrastructure Recapitalization Program	235	239	316	+ 77	+ 32.2%	373	426	472	476
Safeguards and Security	529	553	677	+ 124	+ 22.4%	575	586	580	591
Office of the Administrator.....	279	283	277	- 6	- 2.1%	282	288	293	299
Use of PY Balances.....	-30	-77	0	0	0%	0	0	0	0

	FY 2003	FY 2004	FY 2005	\$ Change	% Change	FY 2006	FY 2007	FY 2008	FY 2009
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Total Goal 1,
Nuclear Weapons
Stewardship.....

6,237 6,513 6,845 + 332 + 5.1% 7,163 7,504 7,646 7,791

General Goal 2, Control of Weapons of Mass Destruction

Nonproliferation
and Verification
Research
& Development.....

256 232 220 - 12 - 5.2% 229 235 246 248

Nonproliferation
and International
Security

131 114 124 + 10 + 8.8% 119 120 120 120

International
Nuclear Material
Protection
and Cooperation ..

333 258 238 - 20 - 7.8% 244 250 258 260

Russian
Transition
Initiative

39 40 41 + 1 + 2.5% 42 43 43 44

HEU
Transparency
Implementation.....

17 18 21 + 3 + 16.7% 21 21 20 20

International
Nuclear Safety

34 0 0 0 0 0 0 0 0

Elimination of
Weapons-Grade
Plutonium
Production

49 65 50 -15 -23.1% 56 59 60 67

Accelerated
Materials
Disposition.....

1 0 0 0 0 0 0 0 0

Fissile Materials
Disposition.....

382 653 649 - 4 - 0.6% 661 673 685 697

Offsite Source
Recovery Project

2 2 6 + 4 + 200.0% 9 9 9 9

Office of the
Administrator ..

54 57 57 0 0 58 59 60 61

Use of PY
Balances

- 20 - 48 0 0 0 0 0

	FY 2003	FY 2004	FY 2005	\$ Change	% Change	FY 2006	FY 2007	FY 2008	FY 2009
Total Goal 2, Control of Weapons of Mass Destruction.....	1,278	1,391	1,406	+ 15	+ 1.0%	1,439	1,469	1,501	1,526
Goal 3, Defense Nuclear Power (Naval Reactors)	702	762	798	+ 36	+ 4.7%	803	818	834	850
Total, NNSA	8,217	8,667	9,049	+ 382	+ 4.4%	9,405	9,791	9,981	10,167

NNSA Program Direction expenditures funded in the Office of the Administrator appropriation have been allocated in support of Goals 1 and 2. Goal 1 allocation includes Federal support for programs funded by the Weapons Activities appropriation, as well as NNSA corporate support, including Federal staffing at the site offices. Goal 2 allocation includes Federal support for all Nuclear Nonproliferation programs. Program Direction expenditures for Naval Reactors, supporting Goal 3, are funded within the Naval Reactors appropriation.

Funding Summary by Site
(dollars in millions)

FY 2003	FY 2004	FY05 Office of the Admin	FY05 Weapon Activities	FY05 Nuclear Nonprolif	FY05 Naval React	Total FY 2005
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Chicago Operations Office

Ames Laboratory	0.2	0.2		0.2		0.2
Argonne Nat. Laboratory	24.7	19.2		1.9	20.5	22.4
Brookhaven National Laboratory	25.4	44.5		1.6	33.3	34.9
Chicago Operations Office .	209.5	428.4		25.2	446.3	471.5
New Brunswick Laboratory.	1.5	1.1			1.1	1.1

Idaho Operations Office

Idaho National Laboratory ..	59.5	58.0			2.0	56.0
Idaho Operations Office.....	1.4	1.1		1.4		1.4

Kansas City Site Office

Kansas City Plant	390.3	403.8		378.0	1.4	379.5
Kansas City Site Office.....	6.2	6.2	6.0			6.0

Livermore Site Office

	FY 2003	FY 2004	FY05 Office of the Admin	FY05 Weapon Activities	FY05 Nuclear Nonprolif	FY05 Naval React	Total FY 2005
Lawrence Livermore National Laboratory	1,048.7	1,004.1		963.3	70.4		1,033.7
Livermore Site Office	12.8	16.1	16.5				16.5
Los Alamos Site Office							
Los Alamos National Laboratory	1,410.0	1,415.6		1,395.6	123.6		1,519.2
Los Alamos Site Office	12.0	14.6	15.9				15.9
National Engineering Technology Laboratory	1.7	0.0					0.0
NNSA Service Center							
Atomic Energy of Canada, Ltd.....	2.4	1.2			1.2		1.2
General Atomics.....	10.8	11.0		13.1	0.2		13.3
Lawrence Berkeley National Laboratory	5.2	4.0			4.1		4.1
Naval Research Laboratory	22.3	13.3		11.0			11.0
NNSA Service Center (all other sites).....	487.8	467.2	98.7	232.2	83.4		414.4
Nonproliferation and National Security Institute.....	0.1						
University of Rochester/LLE	46.8	62.6		45.5			45.5
Nevada Site Office							
Nevada Site Office.....	104.1	92.5	17.5	45.7	7.4		70.6
Nevada Test Site	247.7	285.4		282.9	1.0		283.9
Oak Ridge Operations Office							
Oak Ridge Institute for Science and Engineering....	7.8	8.8		7.1			7.1
Oak Ridge National Laboratory	110.6	95.8		7.5	136.9		144.4
Office of Science and Technical Information	0.1	0.1		0.1			0.1
Y-12 Site Office	9.6	16.3	11.7				11.7

	FY 2003	FY 2004	FY05 Office of the Admin	FY05 Weapon Activities	FY05 Nuclear Nonprolif	FY05 Naval React	Total FY 2005
Y-12 National Security Complex	734.3	728.2		727.0	61.0		788.0
Pantex Site Office							
Pantex Plant	413.0	431.1		463.5	10.3		473.8
Pantex Site Office.....	9.9	10.8	11.6				11.6
Pittsburgh Naval Reactors Office							
Bettis Atomic Power Laboratory	351.6	396.2				401.2	401.2
Pittsburgh Naval Reactors Office	7.8	8.2				8.7	8.7
Richland Operations Office							
Richland Operations Office.	0.4	0.8		1.3			1.3
Pacific Northwest National Laboratory	132.5	85.6		4.4	70.1		74.5
Sandia Site Office							
Sandia National Laboratories	1,306.8	1,376.7		1,167.7	144.3		1,312.0
Sandia Site Office.....	8.6	12.1	12.5				12.5
Savannah River Operations Office							
Savannah River Operations Office	14.0	26.5			32.4		32.4
Savannah River Site Office	3.5	3.1	2.9				2.9
Savannah River Site.....	305.3	303.3		238.9	55.5		294.4
Schenectady Naval Reactors Office							
Knolls Atomic Power Laboratory	269.5	282.0				308.2	308.2
Schenectady Naval Reactors Office	6.3	6.7				7.0	7.0
Washington DC Headquarters	501.3	688.2	137.9	577.5	41.9	13.8	771.1

	FY 2003	FY 2004	FY05 Office of the Admin	FY05 Weapon Activities	FY05 Nuclear Nonprolif	FY05 Naval React	Total FY 2005
Other	5.7	7.0	2.4			3.0	5.4
Subtotal, NNSA.....	8,360.4	8,842.0	333.7	6,598.5	1,348.6	768.4	9,078.7
Adjustments.....	- 143.5	- 176.2	0.0	- 30.0	0.0	0.0	- 30.0
Total, NNSA	8,216.9	8,665.8	333.7	6,568.5	1,348.6	768.4	9,048.7