

WEAPONS PROGRAM EMERGES FROM '11 BUDGET BATTLE NEARLY UNSCATHED

The National Nuclear Security Administration's weapons program was spared from what could have potentially been significant cuts in the final Fiscal Year 2011 funding bill as Congress nearly matched the Obama Administration's record request for the program. The House and Senate passed a year-long Continuing Resolution this week that will fund the government for the final five-and-a-half months of the fiscal year after narrowly reaching the deal to avert a government shutdown, and the bill provides \$6.993 billion for the weapons program. The funding total is just \$15 million less than the Administration's request, and erases a House-proposed cut of \$312 to the program that had weapons complex officials suggesting that the nation's recently updated nuclear weapons policy could need to be altered if the nation wasn't able to afford the price tag for costly work to modernize the nation's weapons complex and arsenal.

The bill also rescinded \$50 million in prior-year funds, and imposed a .2 percent government-wide funding rescission that trimmed another \$14 million from the request, decreasing the total funding for the program to \$6.979 billion. An additional \$33.1 million was cut from the bill "to reflect savings resulting from the contractor pay freeze instituted by the Department," according to the text of the bill. "We got it done almost. It's just a tad lower than it should have been," said Sen. Jon Kyl (R-Ariz.), who spearheaded an effort in the fall to get the Administration to commit to modernization plan for the weapons program over the next decade and actively rallied supporters on both sides of the aisle in the House and Senate to help avert the cuts. "Both sides weighed in in a way that I have no complaints about."

NNSA: Request Was 'Absolutely Critical'

In the fall, the Administration said that \$85 billion would be needed to maintain and modernize the weapons complex from FY2011 to FY2020, about \$15 billion more than projections during the Bush Administration, and the \$7.01

billion FY2011 request—a \$624 million increase from FY2010—was expected to represent the first investment in the modernization plan. The request included funds for work on refurbishing three weapons systems (the W76 and W78 warheads as well as the B61 bomb) and the acceleration of construction on two key facilities that will replace the nation's aging plutonium and uranium infrastructure: the Chemistry and Metallurgy Research Replacement-Nuclear Facility planned for Los Alamos and the Uranium Processing Facility slated for the Y-12 National Security Complex. It also made revitalizing the scientific and technological base that underpins the nation's Stockpile Stewardship Program a priority.

While the House cut \$312 million from the FY2011 request, the Senate cut \$185 million, and with the budget picture clouded, NNSA officials over the last month began to go public in explaining the potential impact of the cuts to the modernization program. Work on the B61 and W76 LEPs would be slowed down, and a study on refurbishing the W78 warhead wouldn't be able to begin (*see related story*), they said. Delays to design work on CMRR-NF and UPF could drive up costs, and morale among weapons complex workers would dip.

The NNSA declined to comment this week until the President signed the bill, but NNSA Administrator Tom D'Agostino was candid about the impact several weeks ago during and after a Senate Armed Services Strategic Forces Subcommittee hearing. "It's absolutely critical in order to do the job, take care of the stockpile, make sure the science backs up the stockpile and invest in the capabilities we need, that we have to have the President's budget," D'Agostino said after the hearing. "Without the President's budget things start falling apart."

Pulling Back the Curtain

Kyl, who pressed the NNSA and the Administration to up the expected cost of its modernization during the fall as part of debate on the New Strategic Arms Reduction Treaty with Russia, proved to be a valuable ally. With help from other Republican Senators and the Administration,

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Kyl convinced House Speaker John Boehner (R-Ohio) to back the funding, working behind the scenes to make the case for the NNSA funding, which under a House budget plan was not considered “security spending” and was not shielded from cuts like other national security programs. Led by Chairman Michael Turner (R-Ohio), the House Armed Services Strategic Forces Subcommittee also made a strong case for the NNSA, with all 16 Democrats and Republicans on the panel signing on to a letter to House Budget Chairman Paul Ryan (R-Wisc.) that urged the lawmaker to reconsider the agency’s designation as “non-security” spending and provide full funding. “I just have nothing but accolades for House leadership, especially Speaker Boehner, for his commitment to see this was done,” Kyl said, acknowledging the challenge that faced House leaders in balancing a push from within Republican ranks to cut spending and the need to maintain national security funding.

Kyl also suggested that the Administration played a large role in convincing Senate Democrats to go along with the funding. “After some amount of urging and telephone calls and the like, the Administration seemed to be supportive, primarily on the Senate side,” he said. But he acknowledged that there would be challenges in the future stemming from what he described as the Administration’s “reluctant” support for nuclear modernization and pressure to trim the entire federal budget. “I hope that my House colleagues and a couple in the Senate who are very highly motivated to reduce spending, appreciate the need to prioritize and distinguish between programs,” Kyl said. “Some programs need to be cut, some need to be eliminated, some need to stay the same, and some need to be plussed up. That’s just the reality of life as we go on.”

An Easier Fight for FY2012?

Turner, however, suggested this week that budget battles over NNSA funding could get easier in the future now that the justification for funding the agency’s modernization program has been made. The Administration has requested \$7.6 billion for the program in FY2012, a \$621 million increase from its FY2011 request. The funding battle “exposed at times some of the mistakes that could have been made in 2012,” said Turner, who suggested that the NNSA’s designation as “non-security spending” was a result of a lack of knowledge about the program from lawmakers. “Largely it was a misunderstanding of when we said we’re not going to have cuts to national security, we’re going to protect national security, that this is a program that was in DoD,” Turner said. “I think it was misidentified, and then it was subject to the same level of cuts that a non-security program would be.” He suggested that wouldn’t be the case in the FY2012 budget. “Because we had to do this run-through ... we were able to catch

some of the mistakes that hopefully mean some of the battles will be easier for Fiscal Year 2012,” he said.

—Todd Jacobson

LANL DIRECTOR, TOP FED OFFICIAL ADVOCATE INCREASED PARTNERSHIP

LOS ALAMOS, N.M.—The way Los Alamos National Laboratory is managed could look significantly different in coming years if the top contractor executive and senior National Nuclear Security Administration official at the site have their way. During a visit to the lab last week by a National Academy of Sciences panel tasked with examining the impact of management changes on the institution and its effect on science, retiring LANL Director Mike Anastasio said safety and security improvements in the five years since a Bechtel-led team took over management of the lab demonstrated that the NNSA should ease up on its oversight of lab operations. “I think we’ve made tremendous strides here, and I don’t see that trust level has changed in a significant way or a positive way,” Anastasio said, later adding: “What can NNSA do to help? I’m trying to find the right way to say this: To spend more energy enabling our success and less energy managing us.”

The issue of contractor oversight has emerged over the last few years as a contentious issue among Department of Energy officials and the Defense Nuclear Facilities Safety Board. Energy Secretary Steven Chu, a former national laboratory director, has pushed for more freedom for DOE contractors, and the NNSA has moved to implement the ‘Kansas City’ governance model across the weapons complex, a system of governance that relies less on extensive government oversight and more on contractor assurance systems. The safety board, however, has questioned that approach, especially in areas involving nuclear operations.

NNSA Moving Away From Being ‘Dictatorial’

For his part, Los Alamos Site Office Manager Kevin Smith told the NAS panel that he is committed to moving toward a new form of cooperation, “from being dictatorial ... to opening the door for things as opposed to using the rules to say no.” Smith, who came to Los Alamos last July from a post as deputy site manager at the Y-12 National Security Complex, cited his experience as a former Air Force pilot to back his claim that he was “all about alignment and empowerment,” adding: “I am used to taking added risks more than others, and I have to call myself back a bit.” In his conversation with the committee, Smith emphasized that he was completely committed to the partnership. “I’ve even offered Mike Anastasio the ability to pick one-third