



THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

March 11, 2013

TO: Members, Subcommittee on Oversight and Investigations

FROM: Committee Majority Staff

RE: Hearing on “DOE Management and Oversight of Its Nuclear Weapons Complex: Lessons of the Y-12 Security Failure”

On Wednesday, March 13, 2013, at 10:00 a.m. in room 2322 Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing entitled “DOE Management and Oversight of Its Nuclear Weapons Complex: Lessons of the Y-12 Security Failure.” Following up on its [September 12, 2012](#), hearing on the topic, and as part of its ongoing oversight, the Subcommittee will examine the management and oversight deficiencies identified in the wake of the July 28, 2012, security breakdown at the Y-12 National Security Complex to help determine what is necessary to maintain the highest standards for safe and secure operations at Department of Energy nuclear weapons laboratories and production sites.

I. WITNESSES

There will be two witness panels:

Panel 1:

Sandra E. Finan
Brigadier General, USAF
Commander, Air Force Nuclear Weapons Center and Former Acting Chief of Defense Nuclear Security
National Nuclear Security Administration (NNSA)

Daniel B. Poneman
Deputy Secretary
U.S. Department of Energy
Accompanied by Neile L. Miller
Acting Undersecretary for Nuclear Security and Acting Administrator, NNSA

Panel 2:

Richard A. Meserve
President

Carnegie Institution for Science

C. Donald Alston, Major General, USAF (retired)

David C. Trimble
Director, Natural Resources and Environment Team
Government Accountability Office

II. BACKGROUND

The Department of Energy (DOE) carries out many of the nation's most critical national security-related missions, including stewardship of the nation's nuclear weapons stockpile and the environmental remediation of the Cold War era nuclear weapons complex. This work involves the most high-hazard nuclear facilities and materials, nuclear weapons components, and DOE's most sensitive, top secret national security information. These missions also include technically complex, expensive, often one-of-a-kind construction and cleanup operations that pose significant safety, public health, and environmental risks.

Ensuring implementation of the necessary safeguards and security measures, the safety and public health protections – combined with the managerial challenges for construction, cleanup, and coordination of weapons refurbishment, maintenance, disassembly, and disposal -- has long posed tremendous contract administration and project management challenges for the Department. The challenges have required constant, disciplined vigilance on the part of DOE as it has transformed its operations and facilities to execute post-Cold War national policies. Unfortunately, the vigilance has not always kept up with the challenges, as serious security breaches and safety problems in the 1990s demonstrated. (See, for example, the series of Energy and Commerce Committee hearings held on [April 20, 1999](#), [June 22, 1999](#), [July 13, 1999](#), [July 20, 1999](#), and [October 26, 1999](#).)

In 1999, as a result of serious security lapses and other management failures across the complex, Congress amended the Department of Energy Organization Act of 1977 and created the National Nuclear Security Administration (NNSA) within DOE to manage nuclear weapons research and production activities, as well as other defense-related national security and nuclear non-proliferation activities of the Department.¹ The NNSA was established as a semi-autonomous agency within DOE, subject to “the authority, direction, and control” of the Secretary of Energy.² Congress also provided that the Secretary (or Deputy Secretary on behalf of the Secretary) remain responsible for establishing policy for NNSA who could draw upon DOE staff as necessary to review NNSA programs and activities and make recommendations to the Secretary regarding program administration.³

¹ DOE continued to manage separately Environmental Management sites and programs and energy-related research and development activities and sites operated by the Office of Science, which to some extent overlap with some NNSA site and facility operations.

² See Section 202 c (3) of the DOE Organization Act, also available at [42 U.S.C. 7132](#).

³ See Section 213 of the DOE Organization Act, also available at [42 U.S.C. 7144](#).

This governance structure provides a line of authority from the Secretary through NNSA to the DOE contractors responsible for implementing Department policies and programs including for safeguards and security at the weapons complex sites. At the same time, this structure provides the Secretary the assurance of an internal regulatory and oversight mechanism, governed by the Office of Health Safety and Security, which reports directly to the Secretary, and is not tied to line management, to help ensure fuller information for Secretarial decision-making and accountability.

To carry out its weapons stockpile stewardship and portions of its nonproliferation work, NNSA oversees eight government-owned contractor-operated sites that comprise the nuclear weapons complex, officially known as the Nuclear Security Enterprise. Specifically, NNSA manages three national nuclear weapons design laboratories -- the Los Alamos National Laboratory (NM), Lawrence Livermore National Laboratory (CA), and Sandia National Laboratories (NM and CA); four nuclear weapons production plants -- the Y-12 National Security Complex (TN), the Kansas City Plant (MO), the Tritium Extraction Facility at DOE's Savannah River Site (SC), and the Pantex Plant (TX); and the Nevada National Security Site, formerly known as the Nevada Test Site, which used to conduct nuclear tests, but now conducts other weapons-related work.

Sustaining Safety, Security Improvements: In the decade following the formation of NNSA, the Energy and Commerce Committee -- in 15 hearings held and numerous GAO investigations requested -- identified persistent security and safety problems within the nuclear weapons complex. Accidents and nuclear safety violations contributed to the temporary shutdown of facilities at both Los Alamos and Lawrence Livermore in 2004 and 2005, respectively, costing taxpayers hundreds of millions of dollars in lost productivity.⁴ Subsequent work by the Energy and Commerce Committee in 2008 and 2009 examined cybersecurity weaknesses and deficiencies in lab self-assessment programs and NNSA site office oversight, notably at the Lawrence Livermore National Laboratory.⁵

Information developed at the various hearings raised broader concerns about the ability of contractors to sustain improvements in safety and security at the sites, absent better oversight. Against this backdrop, in March 2010, DOE Deputy Secretary Daniel Poneman implemented DOE's "2010 Safety and Security Reform Plan" to revise safety and security directives and reform its oversight approach to provide contractors with flexibility to tailor and implement safety and security programs "without excessive federal oversight or overly prescriptive departmental requirements." A similar effort had already been initiated in April 2009 by the NNSA Administrator Thomas D'Agostino to reform NNSA security policy and its overall governance model over weapons complex contractors.

With news of these DOE initiatives to reform oversight, Energy and Commerce Committee members [wrote](#) the Secretary of Energy in March 2010 stating that, "[g]iven the long history of DOE management challenges and the grave safety and security risks within the nuclear weapons complex, it is imperative that DOE ensure safety and security-related improvements that are currently in place

⁴ See for example, "Nuclear and Worker Safety: Actions Needed to Determine the Effectiveness of Safety Improvement Efforts at NNSA's Weapons Laboratories," GAO, October 2007. [GAO-08-73](#).

⁵ See, for example, "Better Oversight Needed to Ensure that Security Improvements at Lawrence Livermore National Laboratory Are Fully Implemented and Sustained," GAO, March 2009. [GAO-09-321](#).

can continue and be sustained and that DOE be cognizant of lessons from past incidents and management failures.” The members also requested that GAO evaluate these efforts.⁶

The resulting Committee oversight led to the Subcommittee on Oversight and Investigations [hearing](#) on September 12, 2012, which reviewed information and testimony from DOE, GAO and the DOE Inspector General concerning what is necessary to maintain the highest standards for safe and secure operations at Department of Energy nuclear weapons laboratories and production sites. The hearing also featured an initial review of the July 2012 security breakdown at the Y-12 National Security Complex.

The Security Failure at Y-12: The Y-12 National Security Complex serves as the nation’s only source of enriched uranium nuclear weapons components and provides enriched uranium for the U.S. Navy. It is considered the [“Fort Knox”](#) for highly enriched uranium. During the early morning hours of July 28, 2012, three individuals breached security and gained access to the area surrounding the Highly Enriched Uranium Materials Facility (HEUMF) at the Y-12 site – long reputed to be one of the most secure facilities in the United States -- and defaced the building. DOE’s Inspector General, in a special report on the incident issued on August 28, 2012, identified “multiple system failures on several levels.” These failures include “troubling displays of ineptitude,” failure to maintain security equipment, over reliance on compensatory security protocols, poor maintenance, poor communications, and weaknesses in resource management. The IG also found that “[c]ontractor governance and Federal oversight failed to identify and correct early indicators of these multiple system breakdowns.”⁷

Subsequent to the September 12, 2012, hearing, a number of reviews and reports have been made available to the Committee that shed additional light not only on the security conditions and culture at the Y-12 site prior to the security breach, but also on the role of DOE/NNSA management and oversight of the security breakdown. Particularly pertinent to the hearing are the Assessment of NNSA Federal Organization and Oversight of Security Operations, a report prepared by the task force led by Brigadier General Sandra E. Finan, and the reviews prepared for Energy Secretary Steven Chu, at his request, by Dr. Richard A. Meserve, General C. Donald Alston, and Dr. Norman R. Augustine.

The Finan Task Force identified “significant deficiencies in security organization, oversight, and culture sustainment throughout the NNSA security organizations.” The advice provide to the Secretary by Meserve *et al.* identified a “pervasive culture of tolerating the intolerable and accepting the unacceptable” that was to blame at Y-12 and reflected more broadly on DOE management failures to ensure an appropriate security culture across the nuclear weapons complex. Witnesses at this hearing will discuss their findings and perspectives on these reports in detail.

⁶ See the then Ranking Member Barton and Ranking Member Burgess [letter to GAO, March 30, 2010](#). Then Chairman Waxman and Rep. DeGette later joined the request. GAO completed [one report on safety reforms](#) in April 2012 and its work on security reforms for the Committee continues.

⁷ See [“Inquiry into the Security Breach at the National Nuclear Security Administration’s Y-12 National Security Complex.”](#) August 2012, DOE/IG-0868.

III. ISSUES

The following issues may be examined at the hearing:

- What do DOE and NNSA plan to do to address identified security management and oversight deficiencies in the wake of the Y-12 failure?
- What do lessons of the Y-12 failure indicate about the safety and security culture throughout the nuclear weapons complex?
- What is necessary to make and sustain security improvements at DOE, the site offices, and the nuclear weapons complex sites?
- Is Federal oversight, independent of NNSA and the contractors, needed? If so, why?

IV. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Peter Spencer or Carl Anderson of the Committee staff at (202) 225-2927.