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1 {York Stenographic Services, Inc.}

2 RPTS BROWN

3 HIF072.202

4 ``DOE MANAGEMENT AND OVERSIGHT OF ITS NUCLEAR WEAPONS

5 COMPLEX: LESSONS OF THE Y-12 SECURITY FAILURE''

6 WEDNESDAY, MARCH 13, 2013

7 House of Representatives,

8 Subcommittee on Oversight and Investigations

9 Committee on Energy and Commerce

10 Washington, D.C.

11 The subcommittee met, pursuant to call, at 10:10 a.m.,  
12 in Room 2322 of the Rayburn House Office Building, Hon. Tim  
13 Murphy [chairman of the subcommittee] presiding.

14 Members present: Representatives Murphy, Burgess,  
15 Harper, Gardner, Johnson, Barton, Upton (ex officio),  
16 DeGette, Braley, Lujan, Tonko, Green, and Waxman (ex

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17 officio).

18 Staff present: Carl Anderson, Counsel, Oversight;  
19 Charlotte Baker, Press Secretary; Mike Bloomquist, General  
20 Counsel; Annie Caputo, Professional Staff Member; Karen  
21 Christian, Counsel, Oversight; Andy Duberstein, Deputy Press  
22 Secretary; Kirby Howard, Legislative Clerk; Peter Kielty,  
23 Deputy General Counsel; Peter Spencer, Professional Staff  
24 Member, Oversight; Tiffany Benjamin, Democratic Senior  
25 Counsel; Brian Cohen, Democratic Staff Director, Oversight  
26 and Investigations, and Senior Policy Advisor; Elizabeth  
27 Letter, Democratic Assistant Press Secretary; and Stephen  
28 Salsbury, Democratic Special Assistant.

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|  
29           Mr. {Murphy.} Good morning. We convene this hearing to  
30 continue the committee's examination of energy--Department of  
31 Energy's management and oversight of its nuclear weapons  
32 complex, three national weapons laboratories and five  
33 production and testing facilities. These eight sites are  
34 responsible for the stewardship of our Nation's nuclear  
35 weapons stockpile.

36           DOE, through its National Nuclear Security  
37 Administration, or NNSA, spends billions of dollars each year  
38 performing hazardous operations to maintain and secure  
39 nuclear weapons and weapons materials. This work is  
40 performed by contractors at the Department's nuclear weapons  
41 sites under the supervision of federal officials and requires  
42 strict adherence to strong safety standards. The supremely  
43 sensitive nature of the materials and technologies also  
44 requires the Department to ensure an extraordinary level of  
45 security to safeguard these nuclear sites and operations.

46           Our attention today will focus mainly on the lessons for  
47 the Department from the security and oversight failures that  
48 occurred last summer at the Y-12 National Security Complex,

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49 in Oak Ridge, Tennessee, and what DOE is doing to address  
50 these lessons.

51 At its hearing this past September, this subcommittee  
52 began to examine preliminary information about the failures  
53 at Y-12. We learned how these failures allowed three  
54 protestors at around 4:20 a.m. one morning last July to  
55 penetrate security fences and detection systems and deface  
56 the walls of the facility storing highly enriched uranium.  
57 We learned about inexcusable maintenance problems and  
58 compensatory security measures to work around broken  
59 equipment and chronic false alarms. We learned about the  
60 inadequate response by the protective guard force. And most  
61 to the point of our hearing today, we learned about the  
62 failure of contractor governance and federal oversight to  
63 identify and correct the multiple early indicators of Y-12's  
64 security, maintenance, and communications systems breakdowns.

65 The DOE Inspector General's testimony at that hearing  
66 revealed that federal site officials did not do anything to  
67 address security maintenance backlogs because NNSA's  
68 contractor governance system meant ``they could no longer  
69 intervene.'' This perhaps is the most incomprehensible

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70 aspect of this troubling situation. It appears that, due to  
71 a ``hands off'' federal contracting policy, we had  
72 ineffective federal security oversight at Y-12, and  
73 potentially at other sites around the complex.

74 Information produced since September confirms that a  
75 strong oversight approach to security has not been paramount  
76 at DOE, particularly since the Department instituted certain  
77 reforms to its oversight in 2009 and 2010. The stated  
78 purpose of these reforms was to give contractors flexibility  
79 to tailor and implement safety and security programs  
80 ``without excessive federal oversight or overly prescriptive  
81 departmental requirements.'' Whatever the intent, the  
82 reforms in practice were interpreted by federal site  
83 officials to mean they couldn't intervene when security  
84 problems arose.

85 We will discuss today the findings of a revealing Task  
86 Force assessment, which was commissioned in response to Y-12  
87 and released to the administrator in November. Led by Air  
88 Force Brigadier General Sandra Finan, who will testify on the  
89 first panel this morning, the Task Force found that issues at  
90 Y-12 were part of a larger pattern of deficiencies in NNSA's

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91 security-related functions and activities across board.  
92 Notably, the Task Force found no clear lines of  
93 accountability at NNSA, and broken security policy process,  
94 an ``eyes on, hands off'' governance approach that weakened  
95 federal oversight, and a federal organization ``incapable of  
96 performing effective security performance assessment'' of the  
97 contractors operating the sites.

98 We will hear testimony from GAO on our second panel that  
99 many of these deficiencies are identical to those identified  
100 at NNSA 10 years ago. It appears the Department instituted  
101 reforms that actually may have exacerbated the deficiencies,  
102 turning ``eyes on, hands off'' into eyes closed, hands off.

103 Deputy Secretary Poneman and acting NNSA Administrator  
104 Miller I trust will explain to us today how and when the  
105 agency will implement the Task Force's recommendations and  
106 exactly how they will communicate clear and appropriate  
107 priorities for safety and security in their governance of the  
108 sites. Let me welcome you both, and General Finan.

109 Our second panel provides broader perspective on  
110 security culture at the Department. Along with GAO, we will  
111 hear from General Donald Alston and former NRC Chairman

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112 Richard Meserve, two of three contributors to an analysis  
113 requested by the Secretary of Energy about the physical  
114 security structure at the DOE.

115         The experience and perspective of these witnesses should  
116 help us to put the security deficiencies in the broader  
117 context of the oversight and management challenges  
118 confronting DOE. In the end we should identify a path  
119 forward for the Department to ensure strong oversight and  
120 zero tolerance for failures. The risks to millions of  
121 people, and indeed geopolitics are too important for anything  
122 less.

123         [The prepared statement of Mr. Murphy follows:]

124 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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125           Mr. {Murphy.} I would now like to recognize Ranking  
126 Member Diana DeGette for her opening statement.

127           Ms. {DeGette.} Thank you, Mr. Chairman.

128           Mr. Chairman, as you said, a little over 7 months ago,  
129 an 82-year-old nun and two middle age men breached the  
130 security perimeter surrounding the highly-enriched uranium  
131 facility at the Y-12 National Security Complex in Oak Ridge,  
132 Tennessee. In the wake of that incident, this committee had  
133 a hearing toward exactly how such an absurd and dangerous  
134 breach of security could happen. Today, I want to thank you  
135 for having this follow-up hearing to learn what has happened  
136 to address the security breakdowns that resulted in the  
137 breach, and to make sure that something like that never  
138 happens again.

139           I want to thank you, Mr. Chairman, for continuing our  
140 longstanding bipartisan interest in this subcommittee in  
141 ensuring that our nuclear facilities are safe and secure.

142           Our past oversight over the nuclear complex has made a  
143 significant difference, raising standards for worker safety,  
144 ensuring lab safety, ensuring security standards remain



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145 accountable to those who work within the labs and who live  
146 nearby, and forcing NNSA to make significant changes when  
147 things go awry. But I got to tell you, as I have told you  
148 before, both on and off the record, every few years we go  
149 through this same thing. There is an incident, there is an  
150 aggressive response from NNSA, time passes without an  
151 incident, and everybody begins to relax. Labs start to  
152 complain about overly burdensome paperwork and oversight. In  
153 response, expectations and rules are relaxed, and then, of  
154 course, without fail, another incident occurs. I am tired of  
155 this pattern and we should all be tired of this pattern,  
156 because it really does affect our national security.

157 Today, I am hoping to hear how NNSA and DOE have  
158 responded to last year's call to action, not just at Y-12,  
159 but across the NNSA complex. But more importantly, I want to  
160 hear what they are doing to ensure that we don't have to have  
161 any more hearings about security breaches or safety incidents  
162 at these sites. I guess my view is, it is time to break this  
163 pattern.

164 I want to commend the agencies for acting promptly to  
165 address the issues exposed at Y-12 in the wake of the July 28

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166 breach. However, I continue to be deeply concerned about  
167 oversight within NNSA. Last month, GAO again released its  
168 high risk list, identifying agencies and program areas that  
169 are at high risk due their vulnerabilities to fraud, waste,  
170 abuse, and mismanagement. Just as it has been since 1990,  
171 contract management at NNSA is on this list. Assessments  
172 conducted after last year's security breach show that NNSA  
173 dubious honor is well-deserved. A February, 2013, DOE  
174 Inspector General report described a ``eyes on, hands off''  
175 approach to contractor oversight, meaning federal employees  
176 felt they could monitor but not intervene in contractor  
177 activities, even if they suspected an issue. Recent  
178 assessments conducted by DOE's Office of Health, Safety, and  
179 Security showed contractor communication problems, both  
180 between different contractors at the Y-12 site, and between  
181 the contractor and federal employees at Y-12, and other  
182 independent experts observed a Y-12 culture that completely  
183 failed to adequately focus on security.

184 As terror effects become more real, and as our enemies  
185 become more sophisticated, we just can't afford to take this  
186 ``eyes on, hands off'' approach to security. Tens of

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187 thousands of people work at these labs and facilities, and we  
188 owe it to them and to the communities around the facilities  
189 and the American people to ensure that they are safe and  
190 secure. To do that, we have got to closely examine and  
191 monitor the nuclear complex, promote transparency when it  
192 comes to how DOE and NNSA are using their resources, and  
193 demand accountability from everybody involved. We have to  
194 insist that standards are simply never relaxed because people  
195 don't like filling out paperwork. In short, we have to  
196 demand more.

197       There has been no shortage of assessments of what should  
198 be done for the complex, and in the coming months, I am sure  
199 we can expect more of these. As we move forward, we have to  
200 continue to make sure that DOE and NNSA are keeping nuclear  
201 safe sites safe and adapting and responding to the ever-  
202 changing security challenges at the nuclear complex.

203       So Mr. Chairman, I am happy that you are continuing the  
204 grant tradition of this subcommittee in oversight of DOE and  
205 NNSA, and I look forward to working with you as we move along  
206 in the future. I yield back.

207       [The prepared statement of Ms. DeGette follows:]

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208 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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209 Mr. {Murphy.} I thank the Congresswoman from Colorado.

210 I now recognize the chairman of the full committee, Mr.

211 Upton, for an opening statement.

212 The {Chairman.} Well thank you, Mr. Chairman.

213 Today's hearing represents another important step in

214 this committee's ongoing oversight to ensure that the

215 Department of Energy's management of nuclear security

216 enterprise can successfully protect taxpayer dollars, ensure

217 public health and worker safety, and in fact, safeguard our

218 national security assets. We know from our past work, as

219 well as from the recent and very troubling security failures

220 at Y-12, that management reform is necessary to ensure safe

221 and secure operations. The challenge has been learning the

222 right lesson from past failures, and then successfully

223 implementing the right fixes.

224 Time and again over the last 14 years, we have witnessed

225 dramatic failures in safety and security, as well as taxpayer

226 waste across the nuclear complex. Despite that poor track

227 record, in '09 DOE proposed increased economy and less

228 oversight as the appropriate corrective actions. We know,

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229 though, from past experiences and the Y-12 breach that strong  
230 and consistent federal management bolstered by truly  
231 independent oversight is, in fact, necessary. DOE leadership  
232 must be clear that safety and security come first. They go  
233 hand in hand. This is the lesson that we have learned from  
234 the civilian nuclear industry. As safety improves, so does  
235 performance. Absent an imbedded safety culture, there is  
236 erosion of safety practices, leading to outages, delays, and  
237 other operational impacts. The same is true for security.

238         The Y-12 security breach demonstrated not only a failure  
239 at the site, but also a failure of DOE and NNSA management.  
240 We can trace some of that failure to the initiative launched  
241 by DOE leadership 3 to 4 years ago to rely more on  
242 contractor's self-assessments and define success as  
243 productivity gained. Secretary Chu himself wanted DOE to be  
244 viewed as a ``partner and asset,' ' his words for the  
245 contractors, sending the signal that oversight of these  
246 contractors would not be a priority. Members on this  
247 committee warned the Secretary in 2010 that such initiatives,  
248 however well-intentioned, were misinterpreting the lessons  
249 and the past and could, in fact, backfire, and that track

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250 record speaks for itself.

251 As this committee, with oversight responsibility for  
252 DOE, we must ensure that current and future DOE leadership  
253 learns the right lessons. That starts today when we hear  
254 about the plans to fix and sustain improvements in safety and  
255 security oversight.

256 I yield the balance of my time to Dr. Burgess.

257 [The prepared statement of Mr. Upton follows:]

258 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
259 Dr. {Burgess.} I thank the chairman of the full  
260 committee--chairman of the subcommittee for calling this  
261 important hearing. This is an important follow-up on the  
262 committee's work in the last Congress into the astonishing  
263 security lapses that occurred at one of our most important,  
264 and purportedly most secure nuclear weapons facilities in the  
265 country.

266 You know, you look at the continuum, the range of  
267 failure and it goes from totally unacceptable to an abject  
268 failure, and this is at one of our country's most important  
269 facilities that stores highly enriched uranium for our  
270 defenses and for our national security. At last September's  
271 hearing, I voiced my concern over the lack of accountability.  
272 We need to know who at Department of Energy was held  
273 accountable. Who lost their job? Who lost their job because  
274 of this epic failure of security and oversight?

275 Now, General Finan's task force, I think, has put it  
276 very succinctly that there is a pervasive culture of  
277 tolerating the intolerable and accepting the unacceptable. I  
278 fear that statement has really become the operational motto



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279 of the Executive Branch, where failure after failure is met  
280 with a shrug and not much more. Had this incident been  
281 perpetrated by someone with more sinister motives, the break-  
282 in could have had catastrophic results for that region and  
283 for our Nation. So I continue to be concerned that our  
284 security at our Nation's most critical facilities is not  
285 being given the priority that it deserves.

286 Chairman Murphy and I met with General Finan, and I  
287 thank you, General, for taking the time for that meeting--  
288 this was a month ago--to discuss some of the observations  
289 that her task force has made in the security lapses and the  
290 oversight failures at NNSA. So certainly, we look forward to  
291 hearing from you this morning as to where the NNSA stands in  
292 its oversight of these facilities.

293 This investigation is a prime example of the good work  
294 that this committee can do when it works in a bipartisan  
295 manner. The security of our Nation's weapons facilities is  
296 not an issue that divides or should divide along party lines.  
297 We are all in favor of safe, secure areas where our nuclear  
298 stockpiles can be held, ready to protect our Nation, and safe  
299 from predators.

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300 With that, Mr. Chairman, I will yield back.

301 [The prepared statement of Dr. Burgess follows:]

302 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
303           Mr. {Murphy.} Thank the gentleman. I will now  
304 recognize for 5 minutes the ranking member of the full  
305 committee, Mr. Waxman.

306           Mr. {Waxman.} Thank you, Mr. Chairman, for recognizing  
307 me and for holding this hearing.

308           The Y-12 incident was embarrassing for DOE and NNSA, the  
309 National Nuclear Security Administration. It exposed serious  
310 issues within the security organization at NNSA. I  
311 appreciate our witnesses being here today, and I hope they  
312 will help us identify and address these concerns.

313           The security concerns we will hear about today must be  
314 addressed. We cannot let our nuclear facilities become  
315 targets for our foreign enemies and terrorists. We need to  
316 invest in the safety and security of these facilities, both  
317 financially and by ensuring they have a culture that is  
318 focused on keeping our nuclear legacy materials and the  
319 people who work with them safe and secure.

320           I appreciate DOE's actions in the wake of the Y-12  
321 incident. The Department has taken this incident seriously  
322 and developed a thoughtful approach to addressing concerns

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323 that have been identified, but there is still more work left  
324 to be done. DOE needs to ensure that it exercises strong  
325 oversight over both its contractors and its federal employees  
326 at NNSA sites, and as noted by General Finan today, DOE needs  
327 to ensure that there is a clear line of authority from the  
328 Secretary down to the contractor, security guards at every  
329 site.

330 Over the years, many people have advocated many  
331 different structures for NNSA, but the assessments made after  
332 the Y-12 incident show that the problem is not too much DOE  
333 efforts oversight, it is too little. The problem is that  
334 contractors didn't take their responsibilities to the  
335 government or their workers seriously. The federal employees  
336 failed to exercise appropriate authority over the contractor  
337 counterparts, and that NNSA's culture didn't adequately focus  
338 on security.

339 These problems can be resolved by effective oversight by  
340 DOE by requiring that contractors become accountable and  
341 transparent, and by ensuring that the federal officials who  
342 oversee these contractors take a hands on approach to  
343 oversight.

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344           In the past year, some have suggested that NNSA needs  
345 more autonomy. In fact, last year's House-passed National  
346 Defense Authorization Act included language stripping DOE's  
347 authority over some NNSA sites. Given what we have seen in  
348 the last 7 months, that approach makes absolutely no sense.  
349 The Y-12 breach made it abundantly clear that NNSA is not  
350 doing enough on its own. All the findings and  
351 recommendations that have come from independent evaluators of  
352 the Y-12 breach, including NNSA's own task force, show that  
353 NNSA needs more oversight, not less. NNSA sites house some  
354 of our most dangerous nuclear assets. We need vigorous  
355 oversight by DOE to ensure that these nuclear materials are  
356 appropriately protected.

357           Mr. Chairman, again, thank you for holding this hearing.  
358 I look forward to more opportunities to check in on NNSA's  
359 progress. I yield back the balance of my time.

360           [The prepared statement of Mr. Waxman follows:]

361           \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
362 Mr. {Murphy.} The vice chairman yields back, and now we  
363 will go over our witnesses today.

364 With us today is Brigadier General, United States Air  
365 Force, Sandra Finan. I hope I am pronouncing that right. I  
366 believe I am, right? Thank you for being here. She is the  
367 Commander of the Air Force Nuclear Weapons Center and former  
368 Acting Chief of Defense Nuclear Security, National Nuclear  
369 Security Administration.

370 Also joining her is Daniel B. Poneman, Deputy Secretary,  
371 U.S. Department of Energy. Thank you so much for being with  
372 us today, sir, and also accompanied by Neile Miller, the  
373 Acting Administrator of NNSA. I hope I have all the title  
374 correct.

375 As you know, the testimony you are about to give is  
376 subject to Title XVIII, Section 1001 of the United States  
377 Code. When holding an investigative hearing, this committee  
378 has a practice of taking testimony under oath. Do you have  
379 any objections to testifying under oath?

380 The chair then advises you that under the rules of the  
381 House and rules of the committee, you are entitled to be

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382 advised by counsel, if you desire to be advised by counsel  
383 during your testimony today. Okay, they all say no.

384 Then in that case, if you would please rise and raise  
385 your right hand, and I will swear you in.

386 [Witnesses sworn]

387 Mr. {Murphy.} Thank you. Noting for the record that  
388 all the witnesses responded in the affirmative, I now call  
389 upon each of them to give a 5-minute summary and their  
390 written statement.

391 Starting off with you, General Finan, thank you for  
392 being here today.

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|  
393 ^TESTIMONY OF SANDRA E. FINAN, BRIGADIER GENERAL, USAF,  
394 COMMANDER, AIR FORCE NUCLEAR WEAPONS CENTER AN FORMER ACTING  
395 CHAIRMAN OF DEFENSE NUCLEAR SECURITY, NATIONAL NUCLEAR  
396 SECURITY ADMINISTRATION (NNSA); AND DANIEL B. PONEMAN, DEPUTY  
397 SECRETARY, U.S. DEPARTMENT OF ENERGY, ACCOMPANIED BY NEILE L.  
398 MILLER, ACTING UNDERSECRETARY FOR NUCLEAR SECURITY AND ACTING  
399 ADMINISTRATOR, NNSA

|  
400 ^TESTIMONY OF SANDRA E. FINAN  
  
401 } General {Finan.} Chairman Murphy, Ranking Member  
402 DeGette, distinguished members of the committee, thank you  
403 for the opportunity to discuss the study I conducted on the  
404 National Nuclear Security Administration's federal security  
405 organization--  
406 Mr. {Murphy.} Could you pull your mike closer to  
407 yourself there, if it is on, too?  
408 General {Finan.} Is that better?  
409 Mr. {Murphy.} Yes, much better. Thank you.  
410 General {Finan.} Okay.



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411 Thank you for the opportunity to discuss the study I  
412 conducted on the National Nuclear Security Administration's  
413 federal security organization and assessment model. Although  
414 I am no longer assigned to the NNSA, I am pleased to share  
415 our observations based on our 90-day study.

416 In the aftermath of the July 28, 2012, security incident  
417 at the National Nuclear Security Administration's Y-12  
418 National Security Complex, the leadership of the NNSA and the  
419 Department of Energy took action to address the security  
420 failures at Y-12. The initial information gathered revealed  
421 that the issues at Y-12 were part of a larger pattern of  
422 security program management deficiencies within NNSA. These  
423 security issues prompted the NNSA administrator to commission  
424 a task force to analyze the current federal NNSA security  
425 organizational structure and security oversight model and  
426 recommend possible improvements. The NNSA Administrator  
427 directed the Task Force to analyze the current NNSA security  
428 organizational structure and recommend possible improvements,  
429 and to analyze the current NNSA security oversight model and  
430 mechanisms to determine what seams existed and what  
431 structures could be implemented to better ensure that the

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432 issues are found and fixed before they become problems.

433           While other reviews were aimed at diagnosing the root  
434 causes of the Y-12 event, the NNSA administrator's direction  
435 called for this Task Force to focus on the a path forward  
436 within the federal NNSA organization. Under my leadership,  
437 the task force consisting of NNSA, DOE, and military  
438 specialists conducted extensive document reviews and  
439 interviewed federal managers and staff as well as a selection  
440 of contractor security managers and others across the NNSA  
441 security organization. The task force collected and analyzed  
442 information, identified issues, and suggested a revised  
443 organizational structure and assessment model.

444           While we highlighted negative aspects of the NNSA  
445 security organization and assessment model, the task force  
446 found many great people on the NNSA security staffs. They  
447 are clearly dedicated, skilled, and hard-working and want to  
448 get the security mission done right. Unfortunately, NNSA  
449 security personnel have seen themselves thwarted by lack of  
450 management support and feel obstructed by some of their  
451 peers. Their difficulties were compounded by the absence of  
452 a workforce strategy to recruit, retain, and develop a cadre

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453 of talented, knowledgeable and experienced security  
454 professionals. Thus, it is all the more encouraging that  
455 these personnel, almost without exception, genuinely care  
456 about doing good work. Their continued strong desire to  
457 build a successful security organization is a hopeful sign  
458 for the future.

459 Mr. Chairman, with your permission, I will submit the  
460 remainder of my testimony for the record. It contains the  
461 findings of the task force.

462 [The prepared statement of General Finan follows:]

463 \*\*\*\*\* INSERT A \*\*\*\*\*

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|

464 Mr. {Murphy.} Thank you. I appreciate that.

465 Mr. Poneman?

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|

466 ^TESTIMONY OF DANIEL B. PONEMAN

467 } Mr. {Poneman.} Chairman Murphy, Ranking Member DeGette,  
468 and members of the subcommittee, thank you for the invitation  
469 to appear before you today to provide the subcommittee  
470 details on the actions the Department has taken or will take  
471 to strengthen the security of the Nuclear Weapons Complex in  
472 the wake of the July, 2012, Y-12 incident. We appreciate the  
473 interest and engagement of this committee and recognize the  
474 important oversight role that you fulfill. The Secretary and  
475 I recognize the severity of the problem that led us to this  
476 point, and we have acted swiftly to identify and address the  
477 issues it revealed.

478 Since the Y-12 incursion, several major actions have  
479 taken place to improve security immediately and for the long  
480 term. Let me tell you about a few of them.

481 We restructured the contracts at Y-12 to integrate  
482 security into the line of command at the M&O contractor. The  
483 protective force contractor was terminated, and a new M&O  
484 contractor has been selected to manage the Y-12 site,

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485 providing an opportunity for new leadership and to improve  
486 the Y-12 security culture. We held accountable both the  
487 senior federal and contractor management personnel at  
488 headquarters and the site, removing them from their  
489 positions. The Department's Chief of Health, Safety, and  
490 Security conducted an independent security inspection of Y-12  
491 security operations, which include rigorous force-on-force  
492 performance testing, as well as no notice and short notice  
493 limited scope performance testing activities as directed by  
494 the Secretary. HSS will be conducting a follow-up review in  
495 April to examine the status of the implementation of  
496 corrective actions. The Secretary also directed HSS to  
497 conduct immediate extent of condition assessments of all  
498 sites in Category I nuclear materials across the DOE complex,  
499 to identify any immediate security issues and to follow up  
500 with a full security inspection, including force-on-force  
501 exercises to assure effective security measures are being  
502 implemented at those sites.

503 NNSA conducted an immediate after-action report to  
504 identify causes, issues to be addressed and recommended  
505 action, and you just heard very eloquently summarized the

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506 findings of those reports.

507 In order to address these institutional problems that  
508 have been revealed, we are continuing to embrace and  
509 implement the findings of General Finan's report, which you  
510 just heard her describe.

511 Because we believe that we need fresh perspectives from  
512 disinterested parties to consider broader and long-term  
513 responses to this incident, Secretary Chu requested three  
514 independent experts in this area to conduct a strategic  
515 review of the entire DOE security architecture, with a  
516 particular emphasis on Y-12, and I see that you are joined by  
517 two of the three of these eminent experts here today. Each  
518 of them provided thoughtful advice on the DOE's nuclear  
519 security structure, specifically, all Category I nuclear  
520 facilities. We are now reviewing and discussing their advice  
521 on how to improve security at Y-12, and across the nuclear  
522 enterprise.

523 The series of personnel and management changes I have  
524 described today were made to provide effective security at  
525 the Y-12 site, and across the DOE complex. We are also  
526 working to carry out the structural and cultural changes

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527 required to secure all Category I nuclear materials at this  
528 and all other DOE and NNSA facilities, and in this respect, I  
529 welcome the comments of--in your opening remarks from members  
530 of this subcommittee about the need to introduce cultural  
531 changes so that we are not back in the same situation again.  
532 That is absolutely critical, and I think as we get into the  
533 discussion, what you hear in terms of what we are  
534 implementing from General Finan's report will put us in the  
535 right direction in that respect.

536         Our management principles hold that our mission is vital  
537 and urgent. Nowhere is that more true than here. The  
538 security of our Nation's nuclear material and technology is a  
539 core responsibility of the Department, in support of the  
540 President and in defense of the Nation. The incident at Y-12  
541 was unacceptable and served as an important wakeup call for  
542 our entire complex. The Department is taking aggressive  
543 actions to ensure the reliability of our nuclear security  
544 programs across the entire DOE enterprise and will continue  
545 to do so.

546         In that effort, the Department looks forward to working  
547 with this subcommittee to ensure the security of the Nation's



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548 nuclear materials. I would be pleased, of course, to answer  
549 any questions from members of this subcommittee, and request  
550 the balance of my statement be submitted for the record.

551 Thank you, Mr. Chairman.

552 [The prepared statement of Mr. Poneman follows:]

553 \*\*\*\*\* INSERT B \*\*\*\*\*

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554           Mr. {Murphy.} And so will the balance of your statement  
555 will be submitted for the record.

556           We understand, Ms. Miller, you do not have an opening  
557 statement, so we will go right into some questions. I will  
558 recognize myself for 5 minutes.

559           First of all, let me just say that I appreciate your  
560 candor. Nothing is better for leaders than to step forward  
561 and say mistakes have been made, taking full responsibility,  
562 and taking definitive action. I thank you for that. We are  
563 certainly hoping this never happens again, and we hope that  
564 the report and recommendations are going to be fully  
565 implemented and continue to be reviewed.

566           So let me start with you, General Finan. Your task  
567 force identified the serious weaknesses in the federal  
568 capability to evaluate contractor performance at the Nuclear  
569 Weapons Complex. The NNSA administrator commissioned your  
570 report. I am correct in that?

571           General {Finan.} Yes, sir.

572           Mr. {Murphy.} It is also correct that the  
573 recommendations are directed at the administrator, not the

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574 Secretary of Energy, am I correct?

575 General {Finan.} That is correct. It was all NNSA-  
576 focused.

577 Mr. {Murphy.} Thank you. I just want to make sure we  
578 are following the right chain here.

579 Mr. Poneman, as Deputy Secretary of Energy, you and the  
580 Secretary set high level policy direction and safety and  
581 security standards for NNSA's mission, but it is the  
582 responsibility of the NNSA to arrange a structure to  
583 accomplish these goals. That is up to the administrator, am  
584 I correct?

585 Mr. {Poneman.} It is up to the administrator, of  
586 course, subject to, as you just said, the leadership of the  
587 Secretary and the Deputy Secretary.

588 Mr. {Murphy.} And something you will continue to  
589 monitor as well?

590 Mr. {Poneman.} Absolutely.

591 Mr. {Murphy.} Thank you.

592 Ms. Miller, you are now the NNSA Acting Administrator.

593 Ms. {Miller.} That is right.

594 Mr. {Murphy.} Is it correct that you were Principal

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595 Deputy Administrator at NNSA as it implemented its safety and  
596 security reform efforts in 2010?

597 Ms. {Miller.} I became the Principal Deputy  
598 Administrator in August of 2010.

599 Mr. {Murphy.} Okay. Do you agree with the findings of  
600 General Finan's report?

601 Ms. {Miller.} I completely agree with them.

602 Mr. {Murphy.} Thank you.

603 General Finan states that NNSA must clearly and  
604 consistently emphasize the importance of security. Do you  
605 agree with her statement?

606 Ms. {Miller.} I absolutely agree with them.

607 Mr. {Murphy.} Thank you.

608 Do you believe that NNSA's leadership has been  
609 inconsistent in the message it sends to the field about  
610 security emphasis?

611 Ms. {Miller.} I believe it has been inconsistently  
612 communicated, yes. Absolutely.

613 Mr. {Murphy.} Were you aware of the inconsistent  
614 messages on security prior to Y-12?

615 Ms. {Miller.} I would say that I was aware that because

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616 the chief of Defense Nuclear Security, as well as the chief  
617 of Defense Nuclear Safety reported directly to the  
618 administrator and not to me. I would say I was aware of the  
619 difficulty and the inconsistencies in communicating policy  
620 and decisions for security and many other areas from the  
621 headquarters organization to the field offices.

622 Mr. {Murphy.} Well yes, and since part of the purpose  
623 of this Committee on Oversight is to make sure that we are  
624 understanding lessons learned, but what you don't measure,  
625 you can't manage. What you don't admit, you can't act on.  
626 Were there some lessons you learned from this, some things  
627 that you should do differently in terms of the process as we  
628 move forward?

629 Ms. {Miller.} Mr. Chairman, I would say two things.  
630 First of all, there were lessons I had been learning prior to  
631 this incident that caused us to announce a few weeks before  
632 this incident, the end of July, caused us to announce that we  
633 were changing the way we governed our sites. And that is to  
634 say, we took the sites from within defense programs, our  
635 large weapons program, where they had been reporting for a  
636 number of years and had them now directly report to the

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637 administrator through an associate administrator peer level,  
638 the senior management, so that we could start to drive  
639 accountability and consistency across our sites. So that was  
640 a measure that I had come to the conclusion that organization  
641 absolutely had to make to address what I said before, which  
642 was concern about inconsistencies all over the place.

643         With regard to post-Y-12 incident, in particular with  
644 security, I was fortunate to be able to draw upon General  
645 Finan's recommendations and work with her, as she was part of  
646 the organization at the time, and others to change the way we  
647 operate security, both at headquarters and in the field.

648         Mr. {Murphy.} Thank you.

649         Last month on February 5 at NNSA, associate  
650 administrator for management and budget disputed the  
651 Inspector General's report that Y-12 oversight was  
652 ineffective because of the ``eyes on, hands off'' oversight  
653 approach. The officials said that the ``eyes on, hands off''  
654 policy never applied to security matters and that this was a  
655 misperception by some federal officials. Ms. Miller, why is  
656 an NNSA senior official continuing to dispute the impact of  
657 the ``eyes on, hands off'' policy?

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658           Ms. {Miller.} I think the issue is not to dispute the  
659 impact. I think the point is that we certainly did not set  
660 out--and again, this predates me, but no one set out to say  
661 that oversight should not be conducted, that your proper role  
662 is not to be overseeing all aspects of the contractor's  
663 performance. What I would say is that, as you yourself  
664 mentioned, driving that message through a very large  
665 organization from the administrator through every individual  
666 in every layer at every site is the big challenge. It is the  
667 challenge in security, it is the challenge all over the  
668 place. It is not a new issue. As the ranking member  
669 mentioned, we need to break the pattern, and that is  
670 definitely what the organization is about right now.

671           Mr. {Murphy.} Thank you. Hopefully you will  
672 communicate that through solidly, because of the extreme  
673 concerns about what happened.

674           I recognize each member for 5 minutes as we go through.  
675 Next is Ms. DeGette.

676           Ms. {DeGette.} Thank you, Mr. Chairman.

677           Secretary Poneman, I was intrigued when--first of all,  
678 let me say, I am impressed and encouraged by the commitment

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679 the agency has made to not having to come back here next year  
680 or the year after with some new crisis. I am, both in these  
681 hearings and some of our off--our side conversations, I do  
682 believe you have that commitment.

683 Secretary Poneman, I wanted to ask you, because you just  
684 said in your testimony that you are committed to implementing  
685 some of the aspects of the General's report to make sure that  
686 we are not back here in a year or two. I wonder if you could  
687 briefly tell us--if you could give us the highlights of what  
688 those things are?

689 Mr. {Poneman.} Gladly, Congresswoman DeGette.

690 The critical, I think, finding that General Finan's  
691 report showed was that we had a lack of clarity of line of  
692 management control and accountability. So what we have done  
693 is, under her recommendation implemented by Acting  
694 Administrator Miller and fortunately, before General Finan  
695 left us, she was the acting head of defense nuclear security,  
696 to get this started. We have now made sure that under this  
697 organization that Ms. Miller just introduced of the  
698 operations and infrastructure that the responsibility to  
699 direct security at the site flows down from the administrator



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700 through that office to the site. The other office that had  
701 been doing security policy, so-called NA-70, had been  
702 actually exercising some apparent line management authority,  
703 which was creating confusion. That function has been  
704 stripped away. Any line authority has been stripped away  
705 from NA-70.

706 Ms. {DeGette.} So you think that is the key, having a  
707 clear chain of--that is the number one? What else?

708 Mr. {Poneman.} Number two is the staff function that  
709 that new organization--that NA-70 must perform, they need to  
710 promulgate the policies and perform independent evaluations  
711 so it is not just the site checking itself.

712 Ms. {DeGette.} Okay, independent evaluations. Those  
713 are the two key things.

714 Mr. {Poneman.} Yes, oversight and a line management.

715 Ms. {DeGette.} Now, another issue--I don't have--we  
716 might do another round, but--so I want to just go into this  
717 other issue that I care a lot about, which complaints that  
718 the committee has heard about overly burdensome oversight  
719 stifling the work being done at NNSA labs and sites. And  
720 what we think--I was talking to the chairman about this--is

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721 that federal officials need to conduct strict oversight of  
722 the contractors, or serious security problems can fall  
723 through the cracks.

724 So what I wanted to ask you, General Finan, in your  
725 review, did you find that the problems you saw within NNSA  
726 were caused by overly burdensome congressional oversight?

727 General {Finan.} The issues that I found were not  
728 caused at all by oversight. It was actually caused by lack  
729 of oversight, and I mean oversight at every level.

730 Ms. {DeGette.} Right, right. So what was the--

731 General {Finan.} It was impacting everything.

732 Ms. {DeGette.} We need to have clear oversight from the  
733 top down, and as Mr. Poneman says, independent oversight,  
734 right?

735 General {Finan.} The burden was actually--when you--we  
736 created a system that required a whole bunch of paperwork,  
737 and the paperwork is burdensome, but what we lost in security  
738 was the ability to see security performance. It was  
739 paperwork.

740 Ms. {DeGette.} Yeah, there was a bunch of paperwork,  
741 but it was irrelevant to the core task, right?

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742           General {Finan.}   Correct.

743           Ms. {DeGette.}   Mr. Poneman, do you want to comment on  
744 that?

745           Mr. {Poneman.}   I thought it was a very apt finding, and  
746 the misinterpretation of that 2010 reform is exactly on this  
747 point. We were trying to strip away the excessive paperwork  
748 and get to the performance testing.

749           Ms. {DeGette.}   Right, but did any of the auditor's  
750 assessments conducted in the wake of the Y-12 incident find  
751 that it was caused by too much congressional oversight of the  
752 Y-12 contractors?

753           Mr. {Poneman.}   No, ma'am.

754           Ms. {DeGette.}   Okay. The reason I bring this up is  
755 because some people try to say oh, we have too much  
756 oversight. It seems to me when we have these problems over  
757 and over again, the problem is not too much oversight. The  
758 problem is too little effective oversight and accountability.  
759 Ms. Miller, you are nodding your head. Would you agree with  
760 that?

761           Ms. {Miller.}   Yes, I would definitely agree. It is  
762 about effectiveness.

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763 Ms. {DeGette.} Now, let's see.

764 General Finan, can you tell us about the findings of the  
765 task force with respect to improved oversight of NNSA  
766 security contractors? You touched on it just very briefly.

767 General {Finan.} Right. The recommendation we are  
768 making is that we create an NNSA oversight function, because  
769 right now, in the system as I looked at it a couple of months  
770 ago, NNSA did not have any oversight capability. They  
771 depended on onsite federal personnel to analyze contractor  
772 performance. But again, they were applying the ``eyes on,  
773 hands off'' concept and so that was varied from site to site.  
774 And what happened is that you lacked--there was no sense of  
775 criticism in this assessment, right?

776 Ms. {DeGette.} Right.

777 General {Finan.} You had onsite people who were your  
778 really only federal ability to look at contractor  
779 performance. Well, those folks onsite grew up there, they  
780 lived there, you know, they spent their whole time. They  
781 identified with the mission and they were really not a very  
782 good source of independent oversight as to contractor  
783 performance.

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784 Ms. {DeGette.} Thank you.

785 Mr. Poneman and Ms. Miller, do you agree with that?

786 Mr. {Poneman.} Absolutely--

787 Ms. {Miller.} Yes.

788 Mr. {Poneman.} --and the reforms we described I think  
789 reflect that finding.

790 Ms. {DeGette.} Thank you.

791 Ms. Miller, do you agree with that?

792 Ms. {Miller.} I do.

793 Ms. {DeGette.} Thank you.

794 Mr. {Murphy.} Thank you. Gentlelady yields back.

795 I now recognize the gentleman from Ohio, Mr. Johnson,  
796 for 5 minutes.

797 Mr. {Johnson.} Thank you, Mr. Chairman.

798 Mr. Poneman, in her testimony, General Finan states that  
799 NNSA must clearly and consistently emphasize the importance  
800 of security. Unfortunately, here is the consistent message  
801 that the DOE, NNSA organizations, and contractors were  
802 hearing. In March of 2010, Secretary Chu stated his vision  
803 that he wanted DOE to be viewed as a valued partner and asset  
804 to contractors. He went on to suggest that safety could be

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805 ensured with a skeleton crew of health and safety experts.  
806 Also in March of 2010, Mr. Poneman, you wrote in the  
807 Department's safety and security reform plan that success  
808 will be measured through near-term relief from specific low-  
809 value burdensome requirements, as well as longer term  
810 streamlining of requirements that will lead to measurable  
811 productivity improvements. I note that safety and security  
812 did not factor into this definition of success. Would you  
813 agree that statements like these send mixed signals about the  
814 Department's commitment to safety?

815 Mr. {Poneman.} Congressman, the portion of the document  
816 read from my document, the genesis of that was to set out a  
817 set of safety and security objectives, so in fact, that  
818 particular sentence is out of documents that are precisely  
819 intended to maximize safety and security. What is  
820 unfortunate, what has happened is the misinterpretation of  
821 that. What we were trying to do, sir, is to get rid of the  
822 checkbox mentality, just looking at paperwork and creating  
823 paperwork, get back to performance testing, so we could be  
824 better, safer, and more secure. That is absolutely our  
825 objective.

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826           Mr. {Johnson.} What are you doing today to ensure  
827 consistent and clear emphasis on safety importance from the  
828 headquarters on down?

829           Mr. {Poneman.} Number one, we are, on both safety and  
830 security, assimilating all of the learnings from reports such  
831 as General Finan's. Number two, because we have found safety  
832 culture issues as well as security culture issues, we have  
833 regular meetings where we assemble the top leadership in the  
834 Department to check on a continuing basis that this is being  
835 messaged consistently throughout the complex. One of the  
836 major challenges, Congressman, that we have found is--as you  
837 heard with this talk about ``eyes on, hands off''--is the  
838 misinterpretation, like a kid's game of Telephone, is a  
839 terrible problem. So it is not enough to promulgate a good  
840 policy. You have got to continually stay on it, message it,  
841 and work with your leadership and work with the people in the  
842 field.

843           Mr. {Johnson.} Okay, thank you.

844           Ms. Miller, a week or so before the Y-12 incident in  
845 July of 2012, Mr. Don Cook, NNSA Deputy Administrator for  
846 Defense Programs, made the following remarks, and I quote,

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847 ``With regard to the relationship that we have and where we  
848 are between NNSA and its labs and plants--I didn't say my  
849 labs and plants, but you can tell I feel that way--getting to  
850 the point where we have oversight on these, which is eyes on,  
851 hands off oversight, has been my aspiration for several years  
852 and it remains so. It was my aspiration when I worked on the  
853 lab side for many years. General Finan completed that  
854 ensuring that the right leadership is in the right position  
855 is absolutely critical to success.'' What are you going to  
856 do to make that happen, ensure that leadership is sending the  
857 right message about the importance of safety and security?

858 Ms. {Miller.} Mr. Johnson, sending the right message,  
859 in my view and after many years of looking at the NNSA mostly  
860 from outside of it, is a challenge that is not achieved just  
861 by making sure that people at the top level know what the  
862 message means. But it is difficult to make sure that every  
863 single person in the 10,000 people at a given lab or 30,000  
864 throughout our complex understand what we are talking about.  
865 If we--what we are doing at NNSA is working to be able to  
866 communicate and train and talk to people at every single  
867 level to make sure it is not going to be misunderstood. We



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868 recently changed all of our M&O contracts. The performance  
869 measures in those contracts are all now connected to safety  
870 and security so that it is not possible to believe that you  
871 have performed according to the terms of a contract in an  
872 area like nuclear weapons if you have not also met the  
873 performance plans for safety and security. It just isn't  
874 going to happen.

875 So this is a step-by-step throughout the organization.  
876 It is not just at the top level.

877 Mr. {Johnson.} Okay, good.

878 One final question, General Finan. First of all, as a  
879 26-1/2 year veteran of the Air Force myself, thank you for  
880 your service and what you have done here.

881 A troubling finding in your report is that potentially  
882 critical management information is not being reported clearly  
883 to the appropriate decision makers. Would you elaborate on  
884 what you mean by this?

885 General {Finan.} Yes, sir. As we interviewed people  
886 and took a look at what was happening, we found out at the  
887 lower levels, there were people who knew what issues existed  
888 out there and knew the significance of those issues. But as

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889 they attempted to rise those issues up to senior levels, they  
890 were being suppressed. Management at mid levels would  
891 suppress it, and so in many cases, critical decision  
892 information was not making its way to the top of the  
893 organization.

894 Mr. {Johnson.} Okay, thank you for that, and with that,  
895 Mr. Chairman, I yield back. Thank you.

896 Mr. {Murphy.} Okay, gentleman's time is expired, and I  
897 will now recognize Mr. Tonko for 5 minutes.

898 Mr. {Tonko.} Thank you, Mr. Chair.

899 General Finan, you state in your testimony that the  
900 findings of this task force were very similar to those  
901 numerous prior reports by other review teams, so my question  
902 is, what happened to the recommendations of the prior review  
903 teams? Were they ever implemented? Was the implementation  
904 insufficient, or is there a larger problem that still needs  
905 to be identified?

906 General {Finan.} There is a cultural issue. Those  
907 findings, as you look at them, you go back to see what people  
908 did, you will find that there are some actions that were put  
909 in place, but there was a check the box mentality that said

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910 we want to get rid of the findings as fast as we can. So  
911 they do whatever they could to say yes, I have responded to  
912 this finding and it is gone. And so the things that they  
913 changed didn't stick. It was just a matter of taking action,  
914 checking the box, closing the finding, and going on to the  
915 next thing. And so what needs to happen is all those things  
916 need to be taken in aggregate, we need to create a roadmap,  
917 and then we need to change the culture so that we  
918 continuously evaluate those things and go back and make sure  
919 that we don't, year after year, make the same mistake and  
920 that we are not interested in checking the box off, we are  
921 interested in changing the way we do business so we do it the  
922 right way.

923 Mr. {Tonko.} Thank you. There seems to be a theme that  
924 runs through a number of the task force's observations that  
925 cost control was a bigger concern for many of the people  
926 managing the program, the security program, than performance  
927 of the security mission. This implies there is a real or  
928 perceived lack of resources to support the security mission  
929 fully. Which is it, real or perceived?

930 General {Finan.} It is a combination of both. What

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931 happened was that management had overwhelmingly started to  
932 figure out--they wanted to reduce the cost of security, and  
933 so in doing that, what they did is they lost sight of the  
934 requirements of security, and because the two were mixed  
935 together, the people who determined requirements and the  
936 budget were the same people. What happened was that they  
937 were no longer looking at the actual requirements for  
938 security. They lost sight of what was required in order to  
939 adequately secure these materials and these sites, and  
940 moreover, they lost visibility on the important aspect of  
941 protecting our operational capability and our people. And  
942 those items actually got no visibility at all and were  
943 completely ignored. They thought that if they could do the  
944 big war, if they could fight the terrorists, they could do  
945 all the lesser included, therefore, they never needed to  
946 look at lesser included. Well, lesser included happened to  
947 be a protest event, and Y-12 proved that lesser included do  
948 not--you cannot do lesser included just because you can  
949 fight the larger issues. So it was a combination of wanting  
950 to reduce the budget, which is a good thing. We ought to  
951 always be efficient, but when you lose sight of the

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952 requirements, what happened is senior leaders at NNSA did not  
953 get to make the decision. Do I want to fund that requirement  
954 or do I want to take the risk? The risk was being assumed at  
955 lower levels by default rather than being made at the senior  
956 decision maker level at NNSA.

957 Mr. {Tonko.} Deputy Secretary Poneman--and I thank you  
958 for that answer--but Deputy Secretary, how much of DOE's  
959 budget is spent on contractors, your area of the budget?

960 Mr. {Poneman.} The vast majority. I think it is well  
961 over 80 percent, and we can get you a precise number. I  
962 think it is on the order of 85 percent.

963 Mr. {Tonko.} With that amount, the agency then, is it  
964 fair to say, is relying on private contractors to implement  
965 many key security and safety goals?

966 Mr. {Poneman.} Yes, Congressman, going back to the  
967 origins of the Department, back to shortly after World War  
968 II, Atomic Energy Commission, this whole model of the so-  
969 called management and operating contractor, the M&O  
970 contractor model puts most of the programmatic and security  
971 burdens in the hands of contractors who were exercising that  
972 authority under federal oversight.

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973           Mr. {Tonko.} So do the contractors then have a  
974 conflicting bid of incentives here when carrying out their  
975 duties?

976           Mr. {Poneman.} There is a risk, Congressman, and in  
977 that respect, again, one of the many fine findings of General  
978 Finan's report, I think, shows the way we need to address  
979 that is the contractor must own and take responsibility for  
980 security, and in the first instance, must evaluate that under  
981 their own self-analysis, but that then needs to have a double  
982 check, first from the headquarters so there is not the onsite  
983 cozy relationship, so there is some difference and the  
984 federal oversight is effective, and secondly, from an  
985 independent organization, the HSS organization, to  
986 effectively ensure you have a disinterested third party look  
987 to make sure that that security is being well executed and  
988 there are not conflicts of interest, and to hold the  
989 contractor accountable if they do not self-disclose problems  
990 in security that they, in fact, find in their own forces.

991           Mr. {Tonko.} General Finan, is it possible that  
992 contractor concerns over cutting costs could have been one of  
993 the causes of the Y-12 incident at Oak Ridge?

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994           General {Finan.} It could have been, and it may have  
995 been that they had cut back some of their maintenance  
996 personnel in order to cut costs, and therefore had  
997 misprioritized actions, so it could be a contributing factor.

998           Mr. {Tonko.} Thank you. With that, I yield back.

999           Mr. {Murphy.} Gentleman's--thank you very much.

1000           The chair recognizes the chairman emeritus of the  
1001 committee from Texas, Mr. Barton, for 5 minutes.

1002           Mr. {Barton.} Thank you, and I appreciate the courtesy  
1003 of letting me ask questions out of order, since I wasn't here  
1004 at the beginning. I appreciate that of my junior members.

1005           I want to refresh the subcommittee's memory a little  
1006 bit. We have had repeated security incidences at the weapons  
1007 complexes in the national laboratories over the last 20  
1008 years. We have had tapes lost, we have had materials lost.  
1009 This latest incident, which has been sanitized to call the Y-  
1010 12 incident, three nuns, I think, one fairly elderly,  
1011 penetrated to the deepest security of our weapons complex. A  
1012 nun, okay, nuns. They showed up at one of our hearings and  
1013 they were in the audience, and these were not ninja warrior,  
1014 flat belly, skulking people. These were just ordinary folks

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1015 who wandered in, so to speak. So we have, once again,  
1016 another task force that is going to try to rectify the  
1017 problems.

1018 Now, I want to get the players straight. General Finan,  
1019 you are not in the normal chain of command at the Department  
1020 of Energy, is that correct?

1021 General {Finan.} I am no longer assigned to the  
1022 Department of Energy. I am back in the Air Force. I was  
1023 always in the Air Force, but--

1024 Mr. {Barton.} This report that you have helped to  
1025 prepare was done at the request of DOE, at the request of the  
1026 then administrator, but you were kind of an outside, fresh  
1027 look person, is that correct?

1028 General {Finan.} Well, I guess I would call myself an  
1029 inside outsider. By that time, I had been assigned to NNSA  
1030 for 18 months, but I was always an Air Force asset. My  
1031 reporting chain runs through the Air Force. I was always an  
1032 Air Force member, but I was assigned to NNSA for 2 years.

1033 Mr. {Barton.} Okay, now the report that you testified  
1034 on has been presented to the Department of Energy, is that  
1035 correct?



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1036           General {Finan.}   Yes, sir.

1037           Mr. {Barton.}   Now I want to go to Deputy Secretary

1038 Poneman.   It used to be the Deputy Secretary is the number

1039 two person at DOE.   Is that still the case?

1040           Mr. {Poneman.}   Yes, sir.

1041           Mr. {Barton.}   Are you the chief operational officer at

1042 DOE?

1043           Mr. {Poneman.}   Yes, sir.

1044           Mr. {Barton.}   Okay.   So you have read the report--

1045           Mr. {Poneman.}   Yes, sir.

1046           Mr. {Barton.}   --that has been prepared?   I have read a

1047 summary of it.   It is fairly damning, but it is pretty clear

1048 cut in its recommendations.   So the bottom line question is

1049 what are you going to do about it?   Are you going to accept

1050 the recommendations and act on them, or are we going to

1051 pontificate and fiddle faddle around and not do anything?

1052           Mr. {Poneman.}   Yes, sir, it is a fine report.   It is

1053 excellent.   It is insightful.   We embrace it and not only

1054 have we already accepted and put into practice the

1055 recommendations, but while we still had the benefit of

1056 General Finan's service in the Department, we made her Acting

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1057 Chief of Defense Nuclear Security to oversee the beginnings  
1058 of the implementations.

1059 Mr. {Barton.} So she gets to implement the  
1060 recommendations?

1061 Mr. {Poneman.} She had that started, and as she just  
1062 indicated, been reassigned and we are carrying forward from  
1063 that.

1064 Mr. {Barton.} One of the recommendations is that you  
1065 eliminate this multiple diverse authority. Is that going to  
1066 be done, centralizing the one line of authority? That is one  
1067 of the primary--

1068 Mr. {Poneman.} That, sir, already has been done and the  
1069 further clarification of the role of the other security  
1070 organizations is also underway. We are, as was indicated,  
1071 also taking into account more widely the recommendations from  
1072 what we call the Three Wise Experts about--from whom you will  
1073 hear directly, but the parts that you have heard from General  
1074 Finan, we are already putting into effect.

1075 Mr. {Barton.} Okay. Now this concept of ``eyes on,  
1076 hands off'' oversight, there seems to be some  
1077 misunderstanding about that. I don't see how that would work

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1078 anyway.

1079 Mr. {Poneman.} I don't either, and I think it is a  
1080 terrible thing that anyone ever thought that that made sense  
1081 or was the policy of the Department. It is absolutely the  
1082 wrong way to think about it.

1083 Mr. {Barton.} So we can assume, since you are the  
1084 number two person, that whatever that concept was, it is no  
1085 longer in use? It is gone?

1086 Mr. {Poneman.} Yes, we have tried and we will continue,  
1087 because you can't repeat these messages often enough, to be  
1088 very, very clear that the federal oversight is critical and  
1089 it needs to be active and performance-based, and it cannot be  
1090 ``eyes on, hands off.'' That would never work.

1091 Mr. {Barton.} Okay, now my final question, can we be--  
1092 can you assure the committee that the actual security of the  
1093 weapons complex is a first-degree, primary function and it is  
1094 not subject to cost issues? I mean, we want these facilities  
1095 and materials and the people that are operating within those  
1096 facilities to be secure, period, and not secondary to the  
1097 cost of maintaining the security.

1098 Mr. {Poneman.} Let me be very clear, Congressman.

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1099 There is nothing more important than the safety and the  
1100 security of the complex. That is our top priority. We will  
1101 always, as you would expect, make sure that we are good  
1102 stewards of the taxpayer resources and not waste money. I  
1103 don't think that is the implication of your question, but we  
1104 will always make sure that we never compromise security for  
1105 any other derivative objective, and the security of that  
1106 material is paramount.

1107 Mr. {Barton.} Thank you, and thank you, Mr. Chairman  
1108 and the other members. I yield back.

1109 I would love to have a hearing within the next year or  
1110 two where we can pat these people on the back and say you  
1111 have actually done what you said. Things are working. There  
1112 are improvements. Now, I am a skeptic. I doubt we will have  
1113 that hearing, but I certainly hope that we can and I  
1114 especially want to commend Congresswoman DeGette. She has  
1115 been fighting these fights almost as long as I have, and with  
1116 the same degree of fervor and intensity, and I am sure that  
1117 with Dr. Murphy's added vigilance, we might actually get  
1118 something done. Thank you.

1119 Mr. {Murphy.} Thank you. We all share sentiments.

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1120 Gentleman yields back.

1121 Now recognize the gentleman from New Mexico, Mr. Lujan,  
1122 for 5 minutes.

1123 Mr. {Lujan.} Thank you very much, Mr. Chairman.

1124 Mr. Poneman and Ms. Miller, before I ask some questions  
1125 on Y-12, I want to speak about something that is very  
1126 important in New Mexico. With the concerns in Washington  
1127 State where tanks at Hanford are leaking radioactive and  
1128 hazardous waste, I understand the Department is considering  
1129 sending millions of gallons of highly radioactive waste to  
1130 New Mexico to be stored at the Waste Isolation Pilot Plant,  
1131 or WIPP. I would like to get your commitment here today that  
1132 you will work closely with the New Mexico delegation, state  
1133 and local officials, and concerned citizens, as you explore  
1134 whether such a transfer will take place and under what  
1135 conditions?

1136 Mr. {Poneman.} Congressman, I can assure you, A, that  
1137 we always take all critical health, safety, environmental  
1138 issues into account, certainly with respect to the 54 million  
1139 gallons and their disposition at Hanford, and we will gladly  
1140 continue to work very closely with this committee and with

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1141 other members of the Congress to make sure what we do is in  
1142 full consultation with you.

1143 Mr. {Lujan.} So Mr. Poneman, that is a commitment to  
1144 work with the New Mexico delegation on this issue?

1145 Mr. {Poneman.} We will work with this committee and  
1146 with all members of Congress, and any affected state--

1147 Mr. {Lujan.} I will interpret that as a yes. I  
1148 appreciate that, sir.

1149 Has there been discussions that have begun with the  
1150 State of New Mexico on this issue?

1151 Mr. {Poneman.} I will defer to Ms. Miller.

1152 Ms. {Miller.} The acting Assistant Secretary for  
1153 Environmental Management, Dave Huizenga, has ongoing  
1154 discussions with representatives from the State of New  
1155 Mexico. I recently met with a number of representatives from  
1156 the State of New Mexico, local representatives as well as the  
1157 governor. We did not discuss this issue because this is a  
1158 pretty new development, as you know, but we are in good,  
1159 close contact with the delegation, both locally and certainly  
1160 as Deputy Secretary Poneman said, very willing to work and  
1161 look forward to working with you and the other members of the

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1162 congressional delegation.

1163           Mr. {Lujan.} I appreciate that, Ms. Miller. I am one  
1164 of the representatives as well that represents New Mexico,  
1165 and so I would appreciate that very much. I appreciate that.

1166           And finally, I hope that this will not happen at the  
1167 expense of cleaning up existing sites in New Mexico. I don't  
1168 want to see a slowing down or a decrease in funding in  
1169 environmental management funding. If anything, it should be  
1170 increased to allow more rapid cleanup, especially in Los  
1171 Alamos. And you know, with the true waste issue in New  
1172 Mexico, it is ready to be cleaned up and ready to go, and I  
1173 hope that we can work with you and get a commitment to see  
1174 what we can do to plus up those accounts. I know  
1175 sequestration is hitting us, but it is something that is very  
1176 important to us.

1177           Mr. {Poneman.} Congressman, sequestration is a huge  
1178 challenge for all of us. We have legal, contractual, and  
1179 moral obligations to the state. We take them very, very  
1180 seriously. I have been there several times myself. We will  
1181 continue to take that seriously.

1182           Mr. {Lujan.} I appreciate your commitment, Mr. Poneman.

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1183           Mr. Poneman, isn't your head of Health, Safety, and  
1184 Security, or HSS, the person you and the Secretary rely on  
1185 for developing and coordinating security policy and providing  
1186 independent oversight and enforcement?

1187           Mr. {Poneman.} That is true.

1188           Mr. {Lujan.} Wasn't this a colossal failure as a part  
1189 of HSS in failing to identify and correct the specific  
1190 security weaknesses that were obviously present at Y-12?

1191           Mr. {Poneman.} Sir, there were a number of failures.  
1192 There was a January, 2009, report from HSS which, in fact,  
1193 identified some of the deficiencies which you have heard  
1194 later described which, in fact, facilitated this terrible  
1195 episode on July 28. There should have been, as HSS has  
1196 acknowledged, more rigorous, vigorous, and repeated follow-up  
1197 from those findings, and they have--in the consequences in  
1198 terms of lessons learned from this episode, redoubled their  
1199 commitment under the direction of the Secretary to make sure  
1200 that they follow up on all such findings in future. So when  
1201 they do identify a problem, they stick with it until it is  
1202 resolved.

1203           Mr. {Lujan.} With that being said, Mr. Poneman, aren't



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1204 those on the second panel, including reviewers like General  
1205 Finan, who are identifying systemic security problems and  
1206 recommending improvements, doing the job that HSS was  
1207 supposed to have done?

1208 Mr. {Poneman.} Well, it is always good after an episode  
1209 like this to get fresh eyes, and General Finan, because she  
1210 had this unique perspective of being in the system but  
1211 somewhat apart from these specific events, had a unique and  
1212 invaluable perspective. In fact, her own report recommends  
1213 that in this three-layer oversight review, that the HSS is,  
1214 in fact, that third layer of disinterested third party  
1215 oversight. We will hopefully continue to benefit from  
1216 outside expertise of this character, but also make sure we  
1217 maintain some independence within the Department to ensure  
1218 you don't have conflict of interest in overseeing security.

1219 Mr. {Lujan.} I appreciate that.

1220 Mr. Poneman, in your earlier comments made before  
1221 similar hearings, you stated that no federal employees have  
1222 been terminated as a result of the Y-12 breach, that such  
1223 terminations are subject to due process. Since there were  
1224 contract employees that were terminated for cause, the

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1225 response seems to suggest that contract employees don't have  
1226 the same due process protection under the law. Is there any  
1227 truth to that?

1228 Mr. {Poneman.} This is--I am glad you asked this  
1229 question, Congressman. Let me clarify this. There was  
1230 accountability on both the federal and the contractor's side.  
1231 On the federal side--and we had to act swiftly and  
1232 effectively to remove anybody who had an involvement in this  
1233 episode from the chain of command. On the federal side, the  
1234 top three nuclear security officials in headquarters were  
1235 removed from those responsibilities. In addition, three  
1236 members at the site from the federal team were either  
1237 reassigned or removed from their positions. And then on the  
1238 contractor's side, we held accountable by making clear to the  
1239 contractor that they had lost our confidence. The three  
1240 senior--three of the senior people on the protective force  
1241 subcontract and three of the senior people on the M&O  
1242 contractor, we then folded the subcontract for security under  
1243 the M&O contract, made it clear we lost confidence in the  
1244 contractor, and that contractor was terminated full stop.

1245 Now there are additional actions that can be taken with

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1246 respect to individuals that are disciplinary in nature. Our  
1247 first responsibility, as the chairman and ranking member have  
1248 emphasized, is to protect the material, so the first thing we  
1249 did is get anybody who had anything to do with this out of  
1250 the way of possibly protecting material that we now needed to  
1251 make sure we had new people and new processes to effectuate.  
1252 Other disciplinary processes have been underway. Some are  
1253 still continuing, and those are the processes, sir, that I  
1254 was referring to where the due process protections apply to  
1255 these individuals who, like any American, are entitled to due  
1256 process when it comes to termination.

1257 Mr. {Lujan.} Thank you. Mr. Chairman, as I yield back,  
1258 I know time is expired, but I appreciate the concerns and the  
1259 statements associated with new culture and leadership and  
1260 changes, and what that means coming forward as we look at the  
1261 future. Thank you, Mr. Chairman.

1262 Mr. {Murphy.} Thank you, Mr. Lujan. I let that go on  
1263 because it was a particularly important answer, too. We  
1264 thank you for that answer.

1265 Now recognize the gentleman from Mississippi, Mr.  
1266 Harper, for 5 minutes.

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1267           Mr. {Harper.} Thank you, Mr. Chairman, and welcome to  
1268 each of you on what is a very important topic, not only to  
1269 you, but to everyone in Congress. We appreciate the look you  
1270 are taking at this, and of course, how do you convey that  
1271 security is everybody's concern, and always in that situation  
1272 where you are looking, it seems that it was somebody else's  
1273 responsibility, so you have to create that culture that  
1274 everyone is responsible, regardless of their position, and do  
1275 you feel like you are moving things in that direction with  
1276 NNSA?

1277           Mr. {Poneman.} Yes, sir, and your comment, I think,  
1278 ties in well with when the chairman said at the beginning, if  
1279 you don't measure it, you don't manage it. What we have done  
1280 since the Y-12 episode is to make sure that in the  
1281 performance evaluation plans for all contracts that safety  
1282 and security is made a constituent part of every programmatic  
1283 deliverable. So you are not actually performing the job if  
1284 you do it, but you don't do it safely or you don't do it  
1285 securely. So that is how we measure and hold people  
1286 accountable, and so not only are we trying to do this through  
1287 all the cultural teaching that we are telling you about, but

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1288 we are trying to build into the structure of the contracts.  
1289 That is how we hope to avoid keep coming back, as Ms. DeGette  
1290 has suggested, by really building it into our system.

1291 Mr. {Harper.} And I guess one of the issues would be  
1292 how do you make these security changes or improvements, how  
1293 do you sustain those? You know, I will go back, DOE did a  
1294 major--a comprehensive study back in 2008, and it looked like  
1295 that was great. If those things had perhaps really been  
1296 sustained, maybe we wouldn't have had the Y-12 incident. So  
1297 I guess what confidence should we have and do you have that  
1298 these changes, as a result of this very extensive 90-day  
1299 evaluation and study, will be sustained?

1300 Mr. {Poneman.} Congressman, as General Finan's report  
1301 makes clear, even if we have put all the structures in place  
1302 to be successful in a way that we have not succeeded so far,  
1303 absent leadership, it is not going to succeed. So the first  
1304 way to sustain it, sir, is by sustained leadership attention,  
1305 and I can commit to you that that is what we are providing.

1306 The second thing I would say is, it is not enough simply  
1307 to promulgate this and announce it. We have to continue to  
1308 work with people in the complex at the sites and have a

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1309 continuous flow of information back and forth.

1310 And the third thing is, people have to feel comfortable  
1311 throughout the site. If they actually have concerns, they  
1312 have to feel free to step forward without any fear of  
1313 retribution.

1314 Mr. {Harper.} Thank you.

1315 Do either of the other witnesses have anything that you  
1316 care to add? General, anything that you see of how this  
1317 study--how you believe it would be sustained in the future?  
1318 It looks great today, and we believe we have done that, but  
1319 do you see anything else, other than what Mr. Poneman has  
1320 added, that you believe would show that we could sustain it?

1321 General {Finan.} The key is the leadership, just the  
1322 Deputy Secretary stated, and a culture. Everyone in the  
1323 organization has to understand that each and every one of  
1324 them are a part of security, and that security is a part of  
1325 the NNSA mission. It is not a support item, it is essential  
1326 to the mission. So it is culture and leadership.

1327 Mr. {Harper.} Mr. Poneman, the safety and security  
1328 reform plan, if I could read this, stated that the  
1329 Department's contractors maintain an assurance system that

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1330 provides reliable measurement of the effectiveness of their  
1331 safety management systems and facilitates timely corrective  
1332 actions to systems or performance weaknesses. And the same  
1333 direction was given for security systems. The task force  
1334 found that NNSA relied overwhelmingly upon contractor-  
1335 provided data rather than effectively reviewing performance  
1336 itself. Given the broken equipment, security cameras,  
1337 excessive false alarms at Y-12, clearly the contractor did  
1338 not correct performance weaknesses in a timely fashion. And  
1339 I know you have gone over this, but I want to make sure, you  
1340 believe that relying on contractors to provide measurements  
1341 of their effectiveness is still a sound approach?

1342 Mr. {Poneman.} I think the system must start because  
1343 they have the line management responsibility with contractor  
1344 reporting and self correcting, but it then needs exactly the  
1345 oversight that General Finan recommended, number one, from  
1346 the nuclear security operation inside NNSA, which is not at  
1347 the site and therefore it is not prone to the coziness that  
1348 has been a source of some concern, and then secondly, with a  
1349 third party independent oversight from the HSS organization.

1350 Mr. {Harper.} Each of you, do you believe that today

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1351 would such a breach at Y-12 that occurred in July of 2012, do  
1352 you believe that would occur today?

1353 Mr. {Poneman.} No, sir, I do not, and one thing that we  
1354 did immediately, the Secretary directed an extent of  
1355 condition review to be done very quickly to ensure that no  
1356 similar problems existed at any of the other sites that have  
1357 Category I nuclear material in the complex.

1358 Mr. {Harper.} I yield back.

1359 Mr. {Murphy.} The gentleman yields back.

1360 The gentleman from Texas is recognized for 5 minutes.

1361 Mr. {Green.} Thank you, Mr. Chairman.

1362 Mr. {Murphy.} The gentleman Mr. Green from Texas is  
1363 recognized.

1364 Mr. {Green.} Different member from Texas.

1365 I know there was some contract restructuring in 2007,  
1366 and I guess what got my attention on Y-12 and also the Pantex  
1367 site, since that is in north Texas, was that contract  
1368 restructuring ever completed to have one contractor for both  
1369 sites?

1370 Mr. {Poneman.} Yes, sir, we have finished the contract  
1371 consolidation. There is another piece that is optional with



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1372 respect to folding the tridium operations at Savannah River,  
1373 but that part has not--

1374 Mr. {Green.} I know on a regular occasion, Pantex--  
1375 there are protesters up there, but it is a long way to get  
1376 there from most urban areas in north Texas, but there has  
1377 never been any similar incidents like at Y-12 at Pantex, has  
1378 it?

1379 Mr. {Poneman.} Not that I am aware of, sir, and in  
1380 fact, we were impressed when we looked after the Y-12  
1381 incident at, frankly, the contrast and we brought some  
1382 expertise from Pantex to Y-12 to help instill some best  
1383 practices. For example, the practice of repairing cameras  
1384 very quickly, that was already institutionalized at Pantex,  
1385 and now I am happy to say, all the cameras are fixed and our  
1386 average time to repair cameras now at Y-12 is 6.5 hours. So  
1387 there were some best practices that we ported over from  
1388 Pantex.

1389 Mr. {Green.} Okay. I worry about impacts on NNSA due  
1390 to the sequester. Deputy Secretary Poneman, can you talk  
1391 about the impacts that sequestration may have on federal and  
1392 contractor personnel at NNSA?

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1393           Mr. {Poneman.} Yes, I will let Acting Administrator  
1394 Miller offer more detail, but top line is it is a significant  
1395 effect involving personnel and operations as well, but I can  
1396 assure you, Congressman, is that the directive from the  
1397 President is to do everything that we can and must do to  
1398 protect our core functions. But I will ask Ms. Miller if she  
1399 has got elaboration.

1400           Ms. {Miller.} I would just add to that. It starts with  
1401 of course, we will protect the material, of course, we will  
1402 do things safely. As long as we are allowed to operate, that  
1403 is exactly how we will run things. Having said that, I think  
1404 people have a tendency to look at sequestration in terms of  
1405 numbers of people who might be furloughed or dollar numbers  
1406 that might be missing. It is--what is a deeper concern at  
1407 this point is the ongoing disruption to activities that will  
1408 take projects and programs and make them difficult, if not  
1409 impossible, to actually execute anywhere near to the plan and  
1410 to the price and the need that has already been described.  
1411 It is that ongoing uncertainty disruption, and then lack of  
1412 ability to plan.

1413           Mr. {Green.} And I know that is impacting your agency,

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1414 but it also impacting--

1415 Ms. {Miller.} Everybody.

1416 Mr. {Green.} --everybody.

1417 Have you already notified employees or contractors on  
1418 they could face personnel actions?

1419 Ms. {Miller.} Contractors, their own organizations are  
1420 responsible for talking directly to their employees, because  
1421 they operate in general off of the money they are getting for  
1422 us. We have, of course, worked with them to try to plan and  
1423 program dollars so that they have some sense of what it is  
1424 going to look like going forward month by month, and they are  
1425 making plans and doing notifications accordingly, and I know  
1426 our contractors have done that.

1427 As far as the federal workers are concerned, I sent a  
1428 note out to our federal workers 2 weeks ago, almost 2 weeks  
1429 ago, to let them know that we will do everything we can, but  
1430 I cannot guarantee that it is not going to affect them  
1431 either.

1432 Mr. {Poneman.} And I would only add, Congressman, that  
1433 I have notified all the affected governors, and we will also  
1434 work with the states in the same vein.

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1435 Mr. {Green.} Okay, thank you, Mr. Chairman.

1436 Mr. {Braley.} Would the Texas gentleman yield?

1437 Mr. {Green.} Sure.

1438 Mr. {Braley.} Mr. Chairman, Ms. Miller, a number of  
1439 reports observed a culture within NNSA of prioritizing costs,  
1440 cutting costs above the needs of security. As a follow-up to  
1441 the question Mr. Barton asked, have M&O contractors  
1442 throughout the complex been told to cut their security costs?

1443 Ms. {Miller.} They certainly have not been told to cut  
1444 their security costs as any means of a policy, but I would  
1445 say there is definitely messages that get communicated that  
1446 when money is tight, people are looking for ways to cut costs  
1447 and within an individual organization, a contractor  
1448 organization are working with federal people, they may, as  
1449 General Finan said, start to make decisions at very low  
1450 levels on what their interpretation is of the need to cut  
1451 costs.

1452 Mr. {Braley.} So it sounds like they could have been  
1453 cut, so as a follow-up, have security funding allocations  
1454 been reduced in recent years before the incident?

1455 Ms. {Miller.} Security allocations have come down over

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1456 the last several years, that is right.

1457 Mr. {Braley.} Mr. Chairman, this is a concern I think  
1458 that we had. Mr. Barton asked a similar question, and  
1459 hopefully it is something that we can pursue. You know, I  
1460 would be interested if security funding has been increased  
1461 after the incident as well, but I think we will find that out  
1462 later.

1463 Thank you, Mr. Chairman.

1464 Mr. {Gardner.} [Presiding] Thank you. Gentleman  
1465 yields back.

1466 Gentleman from Texas, Dr. Burgess, is recognized for 5  
1467 minutes.

1468 Dr. {Burgess.} Well on the GAO report that was supplied  
1469 for this hearing, there is a table, table one on page nine of  
1470 the report, and you know, it is interesting in light of the  
1471 last question that was just asked about the funding levels.  
1472 I mean, this is a comparison of a GAO study done in May of  
1473 2003 and then the security task force in February, 2013, so  
1474 essentially a decade worth of NNSA oversight. And you look  
1475 at the various things that are listed there, the last one  
1476 being allocating staff. In 2003, the GAO found NNSA had

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1477 shortfalls in its site offices in number and expertise of  
1478 staff, which could make it more difficult for site offices to  
1479 effectively oversee security activities. Okay, that sounds  
1480 like a real problem identified by the GAO. So what did  
1481 General Finan find 10 years later? The NNSA security  
1482 function is not properly organized or staffed. It sounds  
1483 like the same problem to me, stated another way.

1484         So you know, as interesting as this chart is, it really  
1485 shows that the General Accountability Office's review of the  
1486 NNSA security organization, when you look at it and go down  
1487 the list and see the problems with defining clear roles and  
1488 responsibilities, assessing site security activities,  
1489 overseeing contractor activities, allocating staff in each  
1490 and every case.

1491         So General Finan, you know, it begs the question, it is  
1492 almost every problem that was identified 10 years ago, you  
1493 encountered on your task force 10 years later. So what do  
1494 you think? Are these longstanding cultural problems that are  
1495 ingrained in the organization, or are these things that can  
1496 be corrected?

1497         General {Finan.} Clearly they are long-term cultural

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1498 basic issues that need to be fixed. And what happens over  
1499 the years, as we looked at each one of those, reports would  
1500 come out and people would check the box and say yes, I took  
1501 care of the findings. What happened was people were nibbling  
1502 around the edges, you know, they would put a body or two--  
1503 okay, you have a shortage, so a body or two would change.  
1504 You know, that would just create a shortage someplace else.  
1505 They didn't ever stop and take a look at the overall system.  
1506 How are we going to fix this long term? So by nibbling  
1507 around the edges, instead of getting at the core issues, they  
1508 just perpetuated the issues for a decade, and probably even  
1509 longer than that, but every report that we looked at had  
1510 striking similarities to what we found.

1511 Dr. {Burgess.} So let me just ask you this. This is a  
1512 basic question. How is putting more money into a  
1513 structurally deficient system, how is it going to make it  
1514 better? I mean any amount of money--I agree that, you know,  
1515 it is reasonable to look the funding levels, but for crying  
1516 out loud, we have known about this stuff for 10 years and you  
1517 haven't fixed it.

1518 General {Finan.} And fundamentally, you know, that is

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1519 why I propose a change in the organization and change in the  
1520 assessment model. Now I think that there are minor increases  
1521 in budget that might be required, but we are not talking  
1522 about, you know, hey, let's add a billion dollars to the  
1523 security budget, because the issues that surfaced at Y-12  
1524 were structural within the organization and structural within  
1525 the assessment model. Now there are other technical aspects  
1526 of why the guard didn't respond properly, a whole bunch of  
1527 things like that that are training related and things like  
1528 that, but we are--when we are talking about the  
1529 organizational structure, we are talking about some bodies.  
1530 Yes, there is a shortage of security professionals, so you  
1531 are talking a small number of additional bodies, and with the  
1532 assessment model, you are talking about beefing up and  
1533 changing the assessment model, but you are not talking about  
1534 a massive influx of dollars.

1535 Dr. {Burgess.} Well, Chairman Upton in his opening  
1536 statement said we need to learn the right lessons from past  
1537 mistakes. I now certainly thank you for the effort that you  
1538 have put into this. I just pray that 10 years from now  
1539 another Congress is not having another hearing over the same



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1540 sorts of failures.

1541           So Secretary Poneman, let me ask you. Back in 2010,  
1542 Chairman Emeritus Barton was ranking member. He and I wrote  
1543 to the Secretary expressing our concerns that the safety and  
1544 security reform initiative would weaken outsource by  
1545 outsourcing safety and security. We requested the General  
1546 Accountability Office to evaluate--actually Chairman Waxman,  
1547 who was chairman at the time and Ranking Member DeGette did  
1548 join in that letter, so given the troubled history of safety  
1549 and security in the complex, NNSA's problems of implementing  
1550 its own security program, what was the Department's  
1551 justification for embarking on this project?

1552           Mr. {Poneman.} It was clear at the time, Congressman,  
1553 that we needed to focus, and you know the old saying, ``If  
1554 you don't know where you're going, any road will take you  
1555 there.'' So when I arrived at the Department, there were  
1556 many people saying many different things. We said let's sit  
1557 down and figure out what are we doing to be safe, what are we  
1558 doing to be secure? That was the genesis of that reform.  
1559 Our management principles say we will only succeed by  
1560 continuous improvement. This was part of that process so it

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1561 wouldn't just be mindlessly continuing to check the box, but  
1562 being vigorous and aggressive and saying how do we be safe?  
1563 I couldn't agree more with you, Congressman, in your premise  
1564 that it ain't just throwing dollars at it, it is a deeply  
1565 cultural thing, and that reform, which I know people have had  
1566 some concerns about, was intended to be exactly part of the  
1567 process that you are advocating in terms of a self-vigorous  
1568 analytical process to get safe and to make people wake up,  
1569 think, and be active about it.

1570 Dr. {Burgess.} Well, Mr. Chairman, I have got  
1571 additional questions. I will submit those in writing. I  
1572 thank you for the indulgence, and I will yield back.

1573 Mr. {Gardner.} Thank you. Gentleman yields back and  
1574 the chair recognizes himself now for 5 minutes.

1575 General Finan, a question to you. In your testimony,  
1576 you write that the NNSA is structurally inadequate to address  
1577 security needs. You have made your recommendations. What  
1578 percentage of those recommendations have either been  
1579 implemented or on their way to implementation? Just give me  
1580 a number, if you could.

1581 General {Finan.} At the time I left the organization,

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1582 all of the recommendations were in process of being  
1583 implemented.

1584 Mr. {Gardner.} Thank you.

1585 Additional questions to Ms. Miller, and this question  
1586 was referenced earlier. The statement that Mr. Don Cook,  
1587 NNSA Deputy Administrator for Defense Programs had made  
1588 earlier, he said with regard to the relationship that we have  
1589 and where we are between NNSA and its labs and plants, the  
1590 statement was made ``eyes on, hands off.'' And I think one  
1591 of the concerns that we have is this isn't just about  
1592 management; this is about leadership, a culture of safety and  
1593 security. And I am very concerned when it comes to the  
1594 approach that NNSA, when they talk about ``eyes on, hands  
1595 off,'' that this is actually a management style that is  
1596 failing to provide the kind of leadership we need in safety  
1597 and security. Would you agree or disagree with that?

1598 Ms. {Miller.} I think what is failing and what has  
1599 failed is something I spoke a little bit about earlier, and  
1600 that is it is one thing for people at a very senior level to  
1601 talk at a very senior level and come out with phrases that  
1602 they perfectly understand and they may be able to explain to

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1603 the seven or eight people they talk to all the time about it.  
1604 That is a very different thing if you are the person six,  
1605 seven, eight layers down to understand what does that mean  
1606 for the job you do every day?

1607 Mr. {Gardner.} And so you can see how that kind of  
1608 creates a culture, though, that doesn't focus--that focuses  
1609 more on management and less on leadership of a culture that  
1610 is truly about safety and security.

1611 Ms. {Miller.} I think what happens is it leads  
1612 everybody to focus whatever way they can to cope with what  
1613 they think the person at the top is trying to tell them.

1614 Mr. {Gardner.} So what are you going to do to make that  
1615 that is different?

1616 Ms. {Miller.} So as you know, right now I am acting  
1617 administrator. What we have already begun in NNSA is a  
1618 change in both the way we talk to staff and our contractors  
1619 from the lower levels all the way up through the very top  
1620 levels to be able to allow people to understand how they do--  
1621 how they are meant to do what they do in a safe and secure  
1622 way, and to understand that safety and security is not the  
1623 job of the people--it is not just the job of the people in

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1624 the uniforms or the guys who can discuss criticality safety  
1625 in depth, it is everybody's job. It is what you do every day  
1626 as part of what else you do every day.

1627 Mr. {Gardner.} Recognize it is about the leadership,  
1628 not just management.

1629 Ms. {Miller.} Absolutely.

1630 Mr. {Gardner.} General Finan, in your testimony, you  
1631 talked about tension between security and the conduct of  
1632 operations, stating that the events at Y-12 illustrate how  
1633 far the pendulum has swung too far in the wrong direction,  
1634 and that NNSA must clearly and consistently emphasize the  
1635 importance of security. Do you believe the tension between  
1636 security and operations is inescapable, or do you think that  
1637 strong safety and security culture can facilitate improved  
1638 operations performance, given committed leadership?

1639 General {Finan.} I absolutely believe that safety and  
1640 security can make operations better, and depending on how  
1641 they are integrated, you will have a better operation. But  
1642 it is a cultural change and it is a difficult cultural  
1643 change.

1644 Mr. {Gardner.} Is the agency right now on the way to

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1645 that cultural change?

1646 General {Finan.} They are trying to make that cultural  
1647 change. Again, it is a long term. It will take years and  
1648 constant pressure, constant attention.

1649 Mr. {Gardner.} Adequate progress, in your mind?

1650 General {Finan.} They are making early steps. Early  
1651 steps. It is going to take a long time.

1652 Mr. {Gardner.} But adequate process not quite ready to  
1653 say that?

1654 General {Finan.} I am not quite ready to say that.

1655 Mr. {Gardner.} Ms. Miller, do you agree with General  
1656 Finan that there has been a culture of compromise at NNSA?

1657 Ms. {Miller.} Yes.

1658 Mr. {Gardner.} And what are you doing to eliminate that  
1659 culture?

1660 Ms. {Miller.} That is a culture that I think not  
1661 intentionally, but definitely effectively, has permeated both  
1662 the contractor and the federal side of it, and that is a  
1663 question of leadership making clear what the expectations are  
1664 for all concerned.

1665 Mr. {Gardner.} And you believe you have taken the

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1666 sufficient steps so that your senior managers understand that  
1667 there must be consistent messaging on security?

1668 Ms. {Miller.} I think through a number of actions that  
1669 have been taken, including the shakeup in management of  
1670 security, that message has been very clearly communicated as  
1671 to what is expected of everyone.

1672 Mr. {Gardner.} And can you tell the committee today,  
1673 all of us on the committee, that the head of defense  
1674 programs, the head of the budget, the federal site managers,  
1675 your managers, all are now singing from the same hymnal, so  
1676 to speak?

1677 Ms. {Miller.} I can tell you that they know they better  
1678 be. I can't swear for another person, but I believe it to be  
1679 the case.

1680 Mr. {Gardner.} And have you committed--this information  
1681 that you are talking about now, you have communicated it  
1682 simply--supply the committee with memoranda or other  
1683 communications instituting your policy for emphasizing that  
1684 security?

1685 Ms. {Miller.} Yes.

1686 Mr. {Gardner.} Thank you. I appreciate your time, and

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1687 with that, I don't see any other witnesses, so I will give  
1688 the gavel back to the chairman.

1689 Mr. {Murphy.} Thank you.

1690 We are going to dismiss this panel and move on to the  
1691 next one. I do want to thank you all for your candid and  
1692 thorough response, and this is extremely important to see  
1693 leadership being honest with us. So we look forward to  
1694 working with you more and talking with you more, and General,  
1695 a special thanks to you for your report. Good luck over  
1696 there, keep that Air Force in line. Thank you, ma'am.

1697 We will wait for the next panel to come forward.

1698 Ms. {DeGette.} Chairman, maybe we can just put her in  
1699 charge of everything.

1700 Mr. {Murphy.} Well ma'am, I am Navy so we will have to  
1701 discuss that.

1702 Well, while this next panel is getting ready, I will  
1703 start off by introducing them in the interest of time as we  
1704 move forward. We have with us Mr. C. Donald Alston, Major  
1705 General, United States Air Force (retired), and former  
1706 commander of the 20th Air Force Global Strike Command, and  
1707 Commander Task Force 214 U.S. Strategic Command, Francis E.



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1708 Warren Air Force Base in Wyoming. We also have Mr. Richard  
1709 Meserve--am I pronouncing that right, sir?

1710 Mr. {Meserve.} Meserve.

1711 Mr. {Murphy.} Meserve, thank you, President of the  
1712 Carnegie Institution for Science, and former Chairman of the  
1713 U.S. Nuclear Regulatory Commission from 1999 to 2003. We  
1714 also have Mr. David Trimble, the Director of Natural  
1715 Resources and Environment Team, Government Accountability  
1716 Office. Welcome here today.

1717 As you know, the testimony you are about to give is  
1718 subject to Title XVIII Section 1001 of the United States  
1719 Code. When holding an investigative hearing, this committee  
1720 has a practice of taking testimony under oath. Do you have  
1721 any objection to testifying under oath?

1722 They all agree to testify. The chair then advises you  
1723 that under the rules of the House and rules of the committee,  
1724 you are entitled to be advised by counsel. Do you desire to  
1725 be advised by counsel during your testimony today?

1726 They all decline counsel.

1727 In that case, if you would please rise, raise your right  
1728 hand, and I will swear you in.

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1729 [Witnesses sworn.]

1730 Mr. {Murphy.} Thank you. I note for the record all the  
1731 witnesses have answered in the affirmative.

1732 You can now give a 5-minute summary of your written  
1733 statement. We will start with you, Dr. Meserve.

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|  
1734 ^TESTIMONY OF RICHARD A. MESERVE, PRESIDENT, CARNEGIE  
1735 INSTITUTION FOR SCIENCE; C. DONALD ALSTON, MAJOR GENERAL,  
1736 USAF (RETIRED); AND DAVID C. TRIMBLE, DIRECTOR, NATURAL  
1737 RESOURCES AND ENVIRONMENT TEAM, GOVERNMENT ACCOUNTABILITY  
1738 OFFICE

|  
1739 ^TESTIMONY OF RICHARD A. MESERVE

1740 } Mr. {Meserve.} Mr. Chairman, Ranking Member DeGette,  
1741 and members of the subcommittee, I am very pleased to appear  
1742 before you this morning to testify of the security at DOE  
1743 complex.

1744 My involvement with this issue, and I believe General  
1745 Alston's as well, arose as the result of a request that was  
1746 made by Secretary Chu that we, as well as Dr. Norm Augustine,  
1747 undertake an evaluation of basically the structure for the  
1748 management of security at DOE. We undertook a study that  
1749 involved visiting sites, reviewing documents, interviewing  
1750 people, and as a result of all of that effort, we submitted  
1751 three separate letters to the Secretary on December 6 of

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1752 2012, and we have submitted copies of those letters for the  
1753 record as our testimony.

1754 We did not purport to investigate the factual  
1755 circumstances surrounding the Y-12 institute. Our reports  
1756 focused on management-related issues, and I hasten to add  
1757 that our report was a snapshot in time. I was learning a lot  
1758 about what has happened at DOE since we conducted our  
1759 interview from the very informative testimony that we have  
1760 all benefitted from earlier this morning.

1761 There are a couple of points from my letter that I think  
1762 I would like to emphasize that I see as clear issues that DOE  
1763 should confront. I believed that on December 6, and I  
1764 believe they are confronting them. One, and I think a  
1765 critical one, is to make sure you have a management structure  
1766 in place that assigns clear authority and responsibility for  
1767 security. One of the underlying factors at the Y-12 incident  
1768 is there was a division of responsibility and without anyone  
1769 being truly in charge until you had a situation with a  
1770 contractor responsible for the guards and a different  
1771 contractor responsible for the security-related equipment and  
1772 the cameras, and they weren't communicating well and a lot of

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1773 the equipment was out of service and each could point at the  
1774 other.

1775 I also came to the conclusion--and I will let General  
1776 Alston speak for himself--that the federal oversight needed  
1777 to be improved. It was--serious security issues existed  
1778 before this episode and no one at DOE that we saw was really  
1779 on top of detecting them and correcting them.

1780 There was issues associated with the protective force,  
1781 ensuring appropriate training. There was an issue associated  
1782 with the, obviously, the behavior of the first responder.  
1783 There were many issues associated with the protective force  
1784 that need to be addressed. We need to find a clear  
1785 trajectory for these people. We need to make sure that they  
1786 have a sense that they are an important part of the team and  
1787 integrated with the team.

1788 I think that all of us came to the view--and this has  
1789 been emphasized this morning--that one of the things needs to  
1790 change is the culture. There has to be a security culture  
1791 that places both safety and security as highest priorities,  
1792 and that management by its word and deed reinforces that, and  
1793 that everyone at the site realizes that it is their

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1794 individual responsibility to assure security, and that  
1795 clearly is something that has been failing.

1796           And finally, I think what I would add is a need for  
1797 balance. Clearly, this episode reflected issues associated  
1798 with physical security, but there are other security issues  
1799 that confront the Department, and in order to recognize, you  
1800 need a balance. There are cybersecurity issues, there are  
1801 personnel security issues, all of which need to be  
1802 functioning, and one ought to not, because it was an episode  
1803 of physical security, focus solely on that.

1804           My views are explained more fully in the letter that was  
1805 submitted as part of the record, and I welcome the  
1806 opportunity to talk to you this morning.

1807           [The prepared statement of Mr. Meserve follows:]

1808 \*\*\*\*\* INSERT C \*\*\*\*\*

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|  
1809           Mr. {Murphy.} Thank you. General, I promised you I  
1810 would have you go first. I apologize for the confusion  
1811 there, but you are recognized now for your opening statement.

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|

1812 ^TESTIMONY OF C. DONALD ALSTON

1813 } General {Alston.} Mr. Chairman, Ranking Member DeGette,  
1814 members of the subcommittee, I would only briefly amplify  
1815 what my colleague has so well described as Mr. Augustine's,  
1816 Dr. Meserve's, and my efforts on behalf of Dr. Chu and the  
1817 Department of Energy. I would only amplify one particular  
1818 point, and that would be the culture piece.

1819 We have talked this morning--the first panel engaged you  
1820 in conversation using some of the expressions that we found  
1821 to be of concern, ``eyes on, hands off'' for example, and  
1822 that expression is something that came out of just the last  
1823 couple years of policy changes. But as has been reinforced  
1824 over and over again, the recurring challenges, the similar  
1825 recurring challenges, go beyond the ``eyes on, hands off''  
1826 policy emphasis that had occurred over the last years, and I  
1827 think that at the center of the challenge for the Department  
1828 is the cultural change. And one aspect of the cultural  
1829 change that is--that feeds the cultural challenges is the  
1830 distributed management, the way the Department distributes



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1831 its management across its labs, and the labs prefer and are  
1832 very successful in their pursuit of the distance between the  
1833 headquarters and the labs themselves, and the freedom of  
1834 movement that they have, and this has great value, I would  
1835 concede, on the science piece, but I think that that  
1836 contributes--the security, in fact, needs to have more  
1837 central--management central emphasis, common standards, and  
1838 what I have observed is that you see people talk about  
1839 mission, which I read as science. People talk about safety,  
1840 and there is more of a pervasive safety culture, if you will.  
1841 But security is not everybody's responsibility, and it is as  
1842 if mission, safety, and security are in a trade space where  
1843 when there is an emphasis on security because of an episodic  
1844 failure, the other elements of mission and safety see the  
1845 focus on safety as to be marginally at the expense of the  
1846 other parts of the mission, as opposed to looking at it as an  
1847 enterprise challenge, and that, in fact, they don't share  
1848 trade space with each other, but in fact, are all essential  
1849 every day to mission success.

1850           And with that, I thank the committee for the opportunity  
1851 to have dialogue this morning.

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1852 [The prepared statement of General Alston follows:]

1853 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
1854 Mr. {Murphy.} Thank you very much.

1855 Mr. Trimble, you have a chance for an opening statement.

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|  
1856 ^TESTIMONY OF DAVID C. TRIMBLE

1857 } Mr. {Trimble.} Thank you, Chairman Murphy, Ranking  
1858 Member DeGette, members of the subcommittee. My testimony  
1859 today discusses DOE's and NNSA's management of the nuclear  
1860 security enterprise, and will focus on security, safety, and  
1861 project and contract management.

1862 Multiple investigations into the security breach at Y-12  
1863 identified significant deficiencies in NNSA's security  
1864 organization, oversight, and culture. In response to the Y-  
1865 12 security incident and the findings of these reports, DOE  
1866 and NNSA have taken a number of actions, including repairing  
1867 security equipment, reassigning key security personnel, and  
1868 firing the Y-12 protective force contractor. More recently,  
1869 DOE and NNSA's leadership committed to additional actions,  
1870 such as revamping the security oversight model. We have not  
1871 evaluated these recent actions but will examine them as part  
1872 of our ongoing review on security reform for this committee.

1873 The key question underlying this work will be whether  
1874 DOE's actions to address the security breakdowns at Y-12 will

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1875 produce sustained improvements in security across the nuclear  
1876 security enterprise.

1877 DOE has a long history of security breakdowns and an  
1878 equally long history of instituting responses and remedies to  
1879 fix these problems. The recent testimony the leader of the  
1880 NNSA security task force examining the Y-12 incident  
1881 identified problems at NNSA's federal security organization,  
1882 including poorly defined roles and responsibilities for its  
1883 headquarters and field staff, inadequate oversight and  
1884 assessments of secured activities, problems ensuring that  
1885 security improvements are implemented, and failing to ensure  
1886 adequate staffing. Notably, in 2003, we reported on these  
1887 same problems, problems which have persisted or resurfaced,  
1888 notwithstanding numerous DOE initiatives to fix or address  
1889 them.

1890 In examining the security incident at Y-12, it is also  
1891 important to remember that NNSA's security problems have not  
1892 been limited to Y-12. In March of 2009, we reported on  
1893 numerous and wide-ranging security deficiencies at Livermore,  
1894 particularly in the ability of Livermore's protective forces  
1895 to ensure the protection of special nuclear material and the

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1896 laboratory's protection control of classified material. We  
1897 also identified Livermore's physical security systems, such  
1898 as alarms and sensors, and its security assurance activities  
1899 as areas needing improvement. Weaknesses in Livermore's  
1900 contractor self-assessment program and the Livermore site  
1901 office's oversight of the contractor contributed to these  
1902 security deficiencies at the laboratory.

1903           Los Alamos experienced a number of high profile security  
1904 incidents in the '90s that were subject to numerous  
1905 congressional hearings, including some held by this  
1906 committee. Subsequently, security evaluations through 2007  
1907 identified other persistent systemic security problems,  
1908 including weaknesses in controlling protecting classified  
1909 resources, inadequate controls over special nuclear matter,  
1910 inadequate self-assessment activities, and weaknesses in the  
1911 process Los Alamos uses to ensure that corrects identified  
1912 security deficiencies. In October of 2009, we found  
1913 weaknesses at Los Alamos in protecting the confidentiality,  
1914 integrity, and availability of information stored on and  
1915 transmitted over its classified computer network.

1916           Regarding safety, in September of 2012, we testified

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1917 before this subcommittee, noting that DOE's recent safety  
1918 reforms may have actually weakened independent oversight.  
1919 Notably, since this recent testimony, reports by DOE and the  
1920 safety board have continued to identify safety concerns at Y-  
1921 12, Pantex, and Los Alamos.

1922           Regarding project management, DOE has made progress in  
1923 managing the costs and scheduled non-major projects, those  
1924 costing less than \$750 million, and in recognition of this  
1925 progress, GAO has narrowed the focus of our high risk  
1926 designation to major contracts and projects. Major projects,  
1927 however, continue to pose a challenge for DOE and NNSA. In  
1928 December of 2012, we reported that the estimated cost to  
1929 construct the waste treatment and immobilization plant in  
1930 Hanford, Washington, had tripled to \$12.3 billion since its  
1931 inception in 2000, and the scheduled completion date had  
1932 slipped nearly a decade to 2019. Moreover, we found that DOE  
1933 had prematurely rewarded the contractor for resolving  
1934 technical issues and completing work. We have reported on  
1935 similar problems with the CMR facility at Los Alamos, the EPF  
1936 project at Y-12, and the MOX project at Savannah River.

1937           In conclusion, over a decade after NNSA was created to

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1938 address security issues, the Y-12 security incident has  
1939 raised concern that NNSA has still not embraced security as  
1940 an essential element of its mission. The numerous actions  
1941 that DOE and NNSA are taking to address its security problems  
1942 will require effective implementation across the complex.  
1943 Without this and strong and sustained leadership, these  
1944 recent reforms, like past efforts, may not have a lasting  
1945 impact on the security, performance, or culture of the  
1946 agency.

1947 Thank you. I would be pleased to answer any questions  
1948 you may have.

1949 [The prepared statement of Mr. Trimble follows:]

1950 \*\*\*\*\* INSERT E \*\*\*\*\*



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|  
1951           Mr. {Murphy.} Thank you. We will go through these  
1952 quickly.

1953           I want to start off. Dr. Meserve, one of the messages  
1954 from your work and General Alston's work is the lack of an  
1955 embedded security culture from DOE headquarters on down  
1956 through the various nuclear weapons complex facilities. As a  
1957 former chairman of the Nuclear Regulatory Commission, you  
1958 have experience with embedded safety culture. Am I correct  
1959 on that?

1960           Mr. {Meserve.} That is correct.

1961           Mr. {Murphy.} And the lessons--what lessons, from your  
1962 experience of NRC regulation of the civilian nuclear industry  
1963 can apply to establishing strong security culture at DOE's  
1964 facilities and operations? Can you give us an example?

1965           Mr. {Meserve.} Well, let me say that I think that  
1966 perspective of the NRC has been that a safety culture is the  
1967 critical foundation for ensuring the safe operations of the  
1968 plants. That without that commitment, you have a problem  
1969 that in regardless of how detailed the requirements are,  
1970 ultimately you have to demand the people fulfill their

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1971 obligations and take responsibility, and the safety culture,  
1972 which is something that affects everyone in the plant, is the  
1973 foundation.

1974           So I came to this project with that perspective, and I  
1975 think that, as has been mentioned, and General Alston  
1976 emphasized this in his remarks, is that culture is the  
1977 critical ingredient, and that is something that has to change  
1978 to have something that will be sustained over time. People  
1979 see this as responsible as their clear responsibility at  
1980 every level at the facility and at headquarters.

1981           Mr. {Murphy.} And that is the same as sustained  
1982 training for security personnel, I am assuming?

1983           Mr. {Meserve.} It means sustained training. It means a  
1984 responsibility of everyone in the plant, when they see a  
1985 problem, to raise that issue up. If their immediate  
1986 supervisor doesn't take it up, it means going above that  
1987 person. It means having a system in place so that no one is-  
1988 -faces any discipline or discrimination as a result of the  
1989 fact that they have raised an issue like that. It is people  
1990 to be rewarded if they take initiative to respond. And that  
1991 is the sort of thing you need in the security area as well.

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1992 Mr. {Murphy.} Thank you.

1993 General Alston, you stated in your report that nuclear  
1994 weapons sites leverage their unique missions and geography to  
1995 justify a preferred, what you called ``alone and unafraid''  
1996 mantra, and that DOE and NNSA headquarters has employed a  
1997 largely hands off response. What do you mean by ``alone and  
1998 unafraid?''

1999 General {Alston.} Mr. Chairman, at Y-12 specifically,  
2000 earlier in the year, earlier in calendar year 2012, the site  
2001 security apparatus had upgraded their security system, and  
2002 they--there was a multi-\$100 million option, and this was  
2003 still a very expensive option of, I can't remember, \$60 to  
2004 \$70 million. And so they went forward with this \$60 to \$70  
2005 million modification to their overall security capability at  
2006 the site, but when they deployed that capability early in the  
2007 year, it had flaws that needed to be worked out, and that was  
2008 widely known, but they operated anyway, generated hundreds of  
2009 alarms, false alarms or nuisance alarms a month, conditioned  
2010 the force, I would argue, to not respond with urgency because  
2011 they were being conditioned that the alarms are systemic  
2012 shortcomings. There was--they moved towards the accounting

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2013 for the alarms and less running to the sounds of the guns,  
2014 which I think was manifested on the morning of July 28,  
2015 because of the delayed response, because it was another false  
2016 or nuisance alarm, if you will. And in that whole effort,  
2017 though, was--from my perspective--was Y-12 saw a way to  
2018 improve its security, and in my view, I saw evidence they  
2019 conceived, designed, developed, and deployed this capability  
2020 at Y-12, defending their unique geographical challenges to  
2021 secure that facility, and in making their, if you will, one  
2022 off approach to this, to be dominant between the relationship  
2023 between Y-12 and the headquarters. And so there was not  
2024 evidence of a strong, disciplined, central management of  
2025 security modifications so that the field can, soup to nuts,  
2026 take a look at what they determined to be shortcomings, and  
2027 then worked the solution set on their own without what I  
2028 think is more appropriate, a good operational test evaluation  
2029 program where someone is accountable in the headquarters for  
2030 the next gate you go, and that nobody lives with a sub-  
2031 optimized system that is not operating perfectly on day one.

2032 Mr. {Murphy.} Is this systemic across NNSA?

2033 General {Alston.} Well, we found a different approach

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2034 at Pantex. They--everyone is trying to--and I can't tell you  
2035 the current state of this, so maybe Dr. Meserve can amplify  
2036 this, but the ARGOS system, and I can't tell you what the  
2037 acronym stands for, but it is a comprehensive security  
2038 approach that is present at all of their sites. But  
2039 depending on how you manipulate part of the overall ARGOS  
2040 architecture at your particular site, they may not be  
2041 precisely identical at each one of the facilities. So as  
2042 these folks were trying to integrate the changes to their  
2043 security apparatus and blend in to this ARGOS concept, there  
2044 is so much freedom of movement at each one of the sites that  
2045 I think there is great opportunity being missed trying to  
2046 centralize common standards and force a common approach and  
2047 making the sites defend being different than the common  
2048 approach, as apposed to right now, which is give them the  
2049 benefit of the doubt that they need to support the one off  
2050 approach and that the common standards get subordinated to  
2051 the unique approach. I don't know if I said that right.

2052 Mr. {Murphy.} Thank you. That helps a lot, but as this  
2053 goes through, I can't help, as I am hearing these stories  
2054 about security issues, too, of the people watching the radar

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2055 on Pearl Harbor on December 7 said oh, pay no attention to  
2056 those blips, that is just probably our planes coming over, or  
2057 on 9/11. These things continue on, and hope that the  
2058 security force is not going to just look past these things.  
2059 I mean, to recognize a situation like this, as Mr. Meserve,  
2060 you put in your letter that sometimes training of terrorists  
2061 is to look nonthreatening, and you have to be ready for  
2062 deadly force, and this could have ended up in a deadly  
2063 situation, and we are hoping these things are avoided in the  
2064 future.

2065 I am out of time. I am going to go Ms. DeGette now from  
2066 Colorado.

2067 Ms. {DeGette.} Thank you very much, Mr. Chairman.

2068 Mr. Trimble, when you were reciting the whole litany of  
2069 problems that we have had with the various labs, it was like  
2070 I was reliving my congressional career. So I want to ask  
2071 you, have you read General Finan's report?

2072 Mr. {Trimble.} Yes, I have.

2073 Ms. {DeGette.} And what is your opinion of her  
2074 recommendations?

2075 Mr. {Trimble.} You know, all the recommendations sound

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2076 sound. We have not done a full evaluation or anything of  
2077 that nature. I think our reaction to the reports, as well as  
2078 the actions DOE has already taken is sort of the proof is in  
2079 the pudding.

2080 Ms. {DeGette.} Yes, so you think it is a good  
2081 direction, but you want to make sure it gets implemented?

2082 Mr. {Trimble.} Yes, and I think even more than that, it  
2083 would be where is the implementation plan?

2084 Ms. {DeGette.} Right.

2085 Mr. {Trimble.} So we have got a lot of okay, we are  
2086 going to do this, we are going to do that, but where is the  
2087 DOE summary of all of these efforts saying hey, this is our  
2088 assessment of all this good work these people have done, and  
2089 here is our plan with metrics and dates and who is  
2090 accountable going forward.

2091 Ms. {DeGette.} Okay. And General, have you read  
2092 General Finan's report?

2093 General {Alston.} No, ma'am, I have not.

2094 Ms. {DeGette.} Okay.

2095 General {Alston.} Her report was in draft while we were  
2096 essentially commissioned by Secretary Chu.

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2097 Ms. {DeGette.} Are you familiar with her  
2098 recommendations?

2099 General {Alston.} I am familiar with a lot of them. I  
2100 couldn't recite them for you.

2101 Ms. {DeGette.} I am not asking you to. Good news, I  
2102 only have 5 minutes.

2103 So my question, though, is do you think she is going in  
2104 the right direction with her recommendations, based on your  
2105 assessments?

2106 General {Alston.} I do. Where I was encouraged  
2107 particularly by her approach was trying to certainly  
2108 recognize the field shortcomings, but the headquarters chain-  
2109 -

2110 Ms. {DeGette.} Right.

2111 General {Alston.} --needs to be fixed, and it needs a  
2112 solid focus on it.

2113 Ms. {DeGette.} It needs to be clarified, right?

2114 General {Alston.} Absolutely.

2115 Ms. {DeGette.} Yes, what about you, Dr. Meserve?

2116 Mr. {Meserve.} My response would be the same.

2117 Ms. {DeGette.} Okay. Now every few years--I alluded to



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2118 this in my previous questioning. Every few years, some in  
2119 Congress suggest that NNSA should be autonomous. From  
2120 oversight last year, the House passed the National Defense  
2121 Authorization Act that included a provision providing  
2122 additional autonomy from oversight by this committee, for  
2123 example, for NNSA. Luckily, this language was not in the  
2124 final law and part of our job is to make sure that we have  
2125 adequate oversight, so we are glad it wasn't in the final  
2126 law. I think, and all of us on this committee think, the Y-  
2127 12 security breach shows that the NNSA is simply not ready  
2128 for that level of autonomy that the National Defense  
2129 Authorization Act contemplated.

2130 So General, I want to ask you and Mr. Meserve, were any  
2131 of the issues you identified caused by a lack of autonomy for  
2132 contractors and those who worked for Y-12? Were they caused  
2133 by a lack of autonomy?

2134 General {Alston.} I would say that the consequence of  
2135 the relationship between the semi-autonomous nature of NNSA  
2136 and the Department of Energy did cause a conflict in  
2137 ambiguity for policy, and so, the NNSA was dependent upon  
2138 Department of Energy apparatus for independent inspection by

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2139 HSS and the Inspector General properly so.

2140 Ms. {DeGette.} So what you are saying is the autonomy  
2141 that they had actually caused some of the problems?

2142 General {Alston.} That they didn't have sufficient  
2143 autonomy for them to be exclusively accountable for the  
2144 failure.

2145 Ms. {DeGette.} Okay, and that was because they were  
2146 partially reporting to DOE?

2147 General {Alston.} Because the field would look up the  
2148 chain of command, and there were limits to what their--how  
2149 beholding they were to the NNSA because certain policy  
2150 elements were the purview and domain of organizations in the  
2151 headquarters that were outside the--

2152 Ms. {DeGette.} So it was because they were semi--it  
2153 wasn't fish or fowl, they were semi-autonomous, right?

2154 General {Alston.} Yes, ma'am, and Dr. Meserve may have  
2155 a better way to say this from our perspective.

2156 Ms. {DeGette.} Dr. Meserve?

2157 Mr. {Meserve.} I think that part of the problem was not  
2158 the autonomy of NNSA but the fact that there is a very  
2159 confusing structure.

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2160 Ms. {DeGette.} Within the agency.

2161 Mr. {Meserve.} If something was simplified and then  
2162 clear lines of authority and responsibility is what is  
2163 necessary.

2164 Ms. {DeGette.} Right.

2165 Mr. {Meserve.} That could be done with an autonomous  
2166 NNSA. It could be done with the current structure, but  
2167 having clear guidelines of who is in charge of what.

2168 Ms. {DeGette.} The problem wasn't--yes, I got you. The  
2169 problem wasn't whether it was autonomous or not, the problem  
2170 was there wasn't a chain of command.

2171 I want to ask you very quickly, Mr. Trimble, do you  
2172 think that--does the GAO believe that NNSA's issues can be  
2173 solved through a simple structural change?

2174 Mr. {Trimble.} We have previously testified that we do  
2175 not. We think the issues that need to be addressed can be  
2176 done with the current structure, and again, it is cultural  
2177 changes, sustained effort.

2178 Ms. {DeGette.} Thank you.

2179 Mr. {Murphy.} The gentlelady yields back.

2180 Now recognize the gentleman from Ohio, Mr. Johnson, for

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2181 5 minutes.

2182 Mr. {Johnson.} Thank you, Mr. Chairman, and gentlemen,  
2183 thank you for being with us today.

2184 Dr. Meserve, if the Department of Energy office  
2185 responsible for independent oversight is subjected to  
2186 political retaliation for conducting that oversight, how  
2187 would that impact their ability to remain objective and  
2188 independent, in your view?

2189 Mr. {Meserve.} Well I mean, the obvious danger is that  
2190 if they are being criticized for doing their job that they  
2191 will then back off doing what they are supposed to be doing.  
2192 And so I think that that would be unfortunate, that if they  
2193 didn't have a clear view of what their obligations were and  
2194 their mission is.

2195 Mr. {Johnson.} Okay. General Alston, what is your view  
2196 of the importance of independent oversight?

2197 General {Alston.} I think that it is appropriately  
2198 integrated in a mosaic of sensors and indicators to tell you  
2199 how sturdy your readiness, or in this case, the quality of  
2200 the security. I think that if you move too much towards  
2201 depending on independent inspection and evaluation, you are

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2202 missing great opportunity to have--to defend yourself against  
2203 crisis. You are focused on defending against crisis and  
2204 ultimate failure, but you are not taking advantage of  
2205 building routine relationships and seeing whether or not your  
2206 organization has the capacity to recognize failure when the  
2207 conditions begin to present themselves. If you need someone  
2208 outside to tell you how ready you are, you may not have the  
2209 skill yourself to know yourself. So I believe it needs to be  
2210 a mosaic of inputs that are converging at the right level to  
2211 give the leadership at the local, intermediate, and the  
2212 higher levels the competency and the confidence in just what  
2213 the quality of the performance of the unit is.

2214 Mr. {Johnson.} I couldn't agree with you more, and it  
2215 is analogous to--I know in my 26-1/2 year career in the Air  
2216 Force, you have your unit mission, you have standards and  
2217 evaluation who are the internal looks, eyes, and ears to make  
2218 sure that you are following those rules, but you also have  
2219 the Inspector General who takes a look from the outside, and  
2220 both are very, very important.

2221 Back to the issue, though, of political retaliation. To  
2222 both of you, what impact would political retaliation have on

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2223 safety and security, the culture of safety and security? You  
2224 mentioned, Dr. Meserve, that people would just stop.

2225 Mr. {Meserve.} Well, you need to have a system that  
2226 reinforces the priority that is to be given for safety and  
2227 security, and that anything that interferes with the capacity  
2228 for people to have a willingness to confront those issues  
2229 honestly and to address them thoroughly is a detriment to  
2230 achievement of safety and security. And that could be  
2231 through political process, through fear of retaliation by a  
2232 superior, there is any number of things that could affect it,  
2233 but the point here is to keep your eye on the ball and  
2234 anything that distracts you from that is a negative factor.

2235 Mr. {Johnson.} Sure.

2236 Mr. {Meserve.} And I couldn't agree more with General  
2237 Alston is that one ought not to anticipate that you are  
2238 counting on oversight function as your primary means to  
2239 prevent shortfalls. That responsibility has to be in the  
2240 line organization that is responsible for the job, and they  
2241 should be held accountable for it. The oversight is a  
2242 protective mechanism to make sure that they are fulfilling  
2243 their function adequately and appropriately.

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2244 Mr. {Johnson.} Absolutely.

2245 General {Alston.} And sir, I would add just one point,  
2246 and that is if you don't have at a grass roots level the kind  
2247 of environment where the folks will come forward to expose  
2248 weakness and challenge, you are not going to get to the self-  
2249 critical culture--the level of self-critical culture that you  
2250 really need in this business where the stakes are so high.

2251 Mr. {Johnson.} Yes, I couldn't agree with you more.

2252 General, given the site's, I quote, ``alone and  
2253 unafraid'' posture, how important, in your opinion, are  
2254 standardization, benchmarking, and best practices to  
2255 achieving and sustaining high security levels?

2256 General {Alston.} Sir, clearly they feed every day.  
2257 When you can, on a routine level, have the lines of  
2258 communication sufficiently open where there is collaborative  
2259 process, you know, and standards don't have to be issued from  
2260 above, there can be collaboration. It builds trust, it  
2261 builds flow of information up and down the chain. Myself and  
2262 Mr. Augustine came to the conclusion that the federalization  
2263 of the correct protective force should be given serious  
2264 consideration, and the reason--I am a unity of command guy,

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2265 and that creates a seam with the operator, who is enriching  
2266 uranium or whatever the other part of the mission would be,  
2267 and so it is a little odd for me to have come down on this  
2268 side. But for precisely the reasons of standardization and  
2269 more centralized control and impact that I felt that that  
2270 would be one means by which that could be achieved.

2271 Mr. {Johnson.} Well thank you. Mr. Chairman, I  
2272 actually do have one more question, if it would please the  
2273 chair that I could ask it, otherwise I will yield back.

2274 Mr. {Murphy.} We will give you an additional minute.

2275 Mr. {Johnson.} Okay.

2276 General Alston, one final question. General Finan's  
2277 task force noted a distinct bias against finding and stating  
2278 performance criticisms. You stated your belief that one of  
2279 the attributes of a security organization is, and I quote,  
2280 ``an absolute intolerance for shortfalls, deficiencies,  
2281 outages 1 minute longer than necessary.'' What must happen  
2282 for NNSA to transition from General Finan's assessment to the  
2283 attribute that you describe?

2284 General {Alston.} I played an active role as the Air  
2285 Force was recovering from its epic failures. I was required



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2286 to produce a road map, and there were a lot--obviously we  
2287 were on fire, and there were a lot of activities that had to  
2288 go on there. But one of the things that we instituted was to  
2289 find structural mechanisms to prove leadership commitment,  
2290 and so the Chief and Secretary created a nuclear oversight  
2291 board that met quarterly, and it was a forum where everyone  
2292 with nuclear equities at the senior level would meet. But it  
2293 was a forum where you could expose whatever level of detail  
2294 that you wanted to expose, and in the case of the failure  
2295 that we saw at Y-12, it wouldn't require so much the senior  
2296 levels at NNSA, but there needs to be a process where the  
2297 connection is reinforced so that you are tracking outages to  
2298 the right level, and for example--or equipment shortages, and  
2299 that there is a recurring forum so that routine interaction  
2300 can fortify commitment to the security part of the  
2301 enterprise.

2302 Mr. {Johnson.} Thank you, General.

2303 Mr. Chairman, I yield back.

2304 Mr. {Murphy.} All right, now recognize the gentleman  
2305 from New York, Mr. Tonko, for 5 minutes.

2306 Mr. {Tonko.} Thank you, Mr. Chair.

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2307           The obvious major part of NNSA's work is security, but  
2308 equally important is providing their employees with a safe  
2309 working environment. The consequences of safety failures are  
2310 serious and for example, in October of '07, GAO reported that  
2311 nearly 60 serious accidents or near-misses had occurred at  
2312 NNSA's national labs since 2000. Just to give one example,  
2313 GAO described a 2004 accident where a student working at the  
2314 NNSA facility at Los Alamos was blinded in a laser accident.

2315           Mr. Trimble, you had indicated in your testimony that  
2316 GAO has been conducting assessments of safety at NNSA for  
2317 quite some time, and while I heard some of the results being  
2318 mentioned here, I am more--I would like to know, more  
2319 importantly, how the agency is fairing. Are they getting  
2320 better at addressing safety concerns?

2321           Mr. {Trimble.} I would like to say yes, but as of now,  
2322 I can't say that our work is showing that. I think one of  
2323 the things that is relevant to the discussion today that ties  
2324 into the safety and security reform initiatives from 2010 is  
2325 we have previously reported that those initiatives did not  
2326 address our concerns previously expressed regarding the  
2327 safety culture at NNSA and specifically, we noted that some

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2328 of those reforms we viewed weakened federal independent  
2329 oversight by making HSS's role sort of more of a ``Mother,  
2330 may I'' in terms of being able to come in and inspect  
2331 facilities. And I think in our testimony as well, we note  
2332 since our last testimony on these matters in the fall, there  
2333 have been numerous other safety incidents that have been  
2334 reported. So our concerns necessarily continue.

2335 Mr. {Tonko.} Thank you. You also made mention, and I  
2336 will quote, that ``they have not demonstrated sustained  
2337 improvements in terms of their safety reforms.'' Can you  
2338 tell us about NNSA's recent efforts to reform those measures  
2339 in terms of safety protocols?

2340 Mr. {Trimble.} I don't know about protocols, per se. I  
2341 think the 2010 safety initiative, the reform initiative, you  
2342 did a lot to--there is a lot of good in there in terms of  
2343 consolidating or rationalizing directives, et cetera. Again,  
2344 as I noted, we saw problems with it, but as with security,  
2345 the issue is one of sustainment. You go through these same  
2346 periods of an accident happens, it gets attention, you have  
2347 remedial measures, and then attention wanes and you go  
2348 through the same cycle once again.

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2349 Mr. {Tonko.} So then what should the agency do or be  
2350 doing to promote or improve worker's safety?

2351 Mr. {Trimble.} Well, I think again it is--one, it is a  
2352 continued and sustained effort in addressing sort of a  
2353 cultural issues that have crept in. I think you see, just as  
2354 in security where you have the divide between headquarters  
2355 and the field units, there is a divide there in terms of the  
2356 importance and differing perceptions, perhaps, of the level  
2357 of importance this sort of mission holds.

2358 Mr. {Tonko.} And in terms of any oversight protections?

2359 Mr. {Trimble.} In terms of oversight? Well,  
2360 independent--clearly, we haven't been on the record in terms  
2361 of having robust independent oversight, much like in the  
2362 security realm, so bolstering the role of HSS in that regard  
2363 I think is essential.

2364 Mr. {Tonko.} Okay. I will yield back, Mr. Chair.

2365 Mr. {Murphy.} Thank the gentleman, and I want to say  
2366 that for all the panelists, I thank you today, both panels.  
2367 I also want to note that certainly at times like this when we  
2368 have hearings about security issues, security breaches, there  
2369 are those who want to see where weaknesses are. They

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2370 certainly take note of the comments made, and we recognize a  
2371 lot of the things are being done for security remain  
2372 certainly in the classified levels. But in a situation like  
2373 this, I think it gives the ranking member and I and members  
2374 of both sides of the Aisle confidence to know that actions  
2375 are being taken, because in a world where terrorists on any  
2376 level may take action against our interests at site such as  
2377 this or other ones, that our Nation will be strong and stand  
2378 up and prevent problems in the future with this. And so we  
2379 thank you for your comments and good Americans to help us  
2380 with that security.

2381 I ask unanimous consent that the contents of the  
2382 document binder and all the Majority memos be introduced into  
2383 the record, and authorize staff to make appropriate any  
2384 redactions. Without objection, the documents will be entered  
2385 into the record with any redactions the staff determines  
2386 appropriate.

2387 [The information follows:]

2388 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
2389           Mr. {Murphy.} And in conclusion, again, thank you to  
2390 all the witnesses. I remind members they have 10 business  
2391 days to submit questions for the record, and I ask all the  
2392 witnesses agree to respond promptly to the questions.  
2393           This committee is now adjourned. Thank you.  
2394           [Whereupon, at 12:15 p.m., the subcommittee was  
2395 adjourned.]