



Remarks from the Exchange Monitor Deterrence Summit

Speech

Feb 16, 2011

Good morning, and thank you for the opportunity to join you today. For the third year in a row, our friend Ed Helminski has gathered some of the leading voices from across our enterprise, from our contracting community, from our interagency partners and even from our international partners to discuss some of the most pressing issues in nuclear security.

When Ed first proposed this Summit three years ago, he asked me how he could help NNSA. Since we've been working so hard in recent years to transform a Cold War nuclear weapons complex into a 21st Century nuclear security enterprise, I told him he could start by changing the name of the "Nuclear Weapons and Materials Monitor" to the "Nuclear Security Monitor" or something like that. Three years later, we can all see how that turned out!

A lot has changed in the three years since the first Nuclear Deterrence Summit. We have a new administration, a renewed commitment to nuclear security, a new consensus on the role we play in keeping our nation and our allies safe, and a new leadership team in place at NNSA. But most importantly, we have a significant commitment on the part of the President and the White House, and the Defense Department to recapitalize the nuclear security enterprise and do it in a way that makes sense. That ties directly to the topic I've been asked to address today: NNSA's Dual Path Forward: Nuclear Deterrence & Nonproliferation.

In reality, I don't see a dual path forward. Both of those missions – as well as NNSA's naval propulsion programs, our nuclear emergency response programs and our counterterrorism efforts – are all part of one NNSA mission.

Our job is to enhance global security by leveraging the best science and technology in the world to maintain our nuclear deterrent, prevent the spread of nuclear weapons and materials, power the nuclear Navy, and provide the nation with the best emergency response and counterterrorism capabilities in the world. It's a tremendous responsibility, and each one of you in this room has an important role to play. Together, we are making the world a safer place.

We are meeting at a particularly opportune time for NNSA. This week, the President released his budget request for Fiscal Year 2012. Despite the economic challenges facing our nation and the budget pressures being felt throughout the federal government, the President demonstrated his commitment to our mission by proposing an unprecedented investment in ensuring the nuclear security of our country and our allies.

For FY2012, it seeks more than \$11.78 billion, up from \$11.2 billion in the FY2011 budget request and up from the FY2011 Continuing Resolution level of \$10.5 billion.

This Budget Request invests the resources needed to build on the important national consensus on nuclear security that has developed in the last two years. For the first time in decades, we have a broad, bipartisan national consensus on the role nuclear weapons play in our security, the steps we need to take to reduce nuclear dangers, and the resources we need to get the job done. This budget request provides those resources.

I think this year's budget request can best be summarized with three key themes: We are investing in the future; implementing the President's nuclear security agenda; and improving the way we do business and manage our resources.

A: INVESTING IN THE FUTURE

To INVEST IN THE FUTURE, the budget request includes \$7.6 billion for the Weapons Activities appropriation, an 8.9 percent (\$621 million) increase over the President's FY 2011 request. This reflects the President's commitment to invest \$85 billion over the next decade to modernize the nuclear security infrastructure and revitalize the science, technology and engineering that supports the full range of nuclear security missions.

These resources will help us invest in a modern, 21st century national security enterprise that can sustain the stockpile and support our full range of nuclear security missions. With these investments, we will be able to continue to move toward an enterprise that is safer, smaller, more secure, more efficient, more sustainable, and more adaptable.

We are building the modern research facilities needed to do cutting edge science and attract the next generation of nuclear security experts. To paraphrase something Vic Reis once said, our strength at NNSA is our ability to do big things that no one else can do, anywhere else in the world.

We have the world's biggest laser, some of the world's fastest computers, and some of the smartest people in the world.

We are building the world's premier uranium processing facility and chemical and metallurgical research facility.

Each year our sites receive dozens of R&D 100 awards and other awards recognizing the excellence across our enterprise.

This Budget Request will allow us to build on those successes so we can continue to support the President's nuclear security agenda.

B. IMPLEMENTING THE PRESIDENT'S NUCLEAR SECURITY AGENDA

That brings me to the second key theme of this Budget Request. It clearly reflects the central role NNSA plays in IMPLEMENTING THE PRESIDENT'S NUCLEAR SECURITY AGENDA.

To implement the President's ambitious goal of securing vulnerable nuclear material around the world within four years, this budget request includes \$2.5 billion in FY2012 and \$14.2 billion over the next five years to detect, secure, safeguard and dispose of dangerous nuclear and radiological material worldwide.

It reflects the incredible accomplishments of our nuclear nonproliferation programs in the past year, and seeks the resources needed to complete the President's goals. After a slight decrease this year to reflect the completion of some long-lead procurement items related to the construction of MOX and the



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The \$7.6 billion we are seeking for the Weapons Activities account will enhance our efforts to leverage the best science and research in the world to maintain our nuclear deterrent and modernize the infrastructure that supports it. It will enable us to continue critical work done in partnership with the Defense Department and other interagency partners to keep our nation safe.

Specifically it provides increases for direct support of the nuclear weapon stockpile, and for scientific, technical and engineering activities supporting national security, and critical infrastructure improvements.

It increases Stockpile Support by 4.8 percent, which will support the B61 life extension program, and a life extension study for the W78 that will also consider the possibility of developing a common ICBM/SLBM warhead that will include the W88 platform, and for directed stockpile maintenance and assembly.

The Budget Request also seeks a 3.1 percent increase in Science, Technology and Engineering to protect and advance the scientific capabilities at the U.S. national security laboratories.

The Infrastructure component increases 21 percent to maintain key facilities and to continue the design and completion of major construction projects for Plutonium and Uranium capabilities. These investments are critical to supporting all of NNSA's missions.

What's more, they will also allow us to operate more safely and securely at lower cost. After the up-front costs of building modern facilities like UPF and CMRR-NF, these investments will reduce maintenance costs, reduce the footprint of our enterprise, and reduce security costs and requirements.

For Naval Reactors, the Budget Request includes \$1.1 billion, an increase of 7.8 percent over the FY 2011 President's Request. This will continue design work on the OHIO class submarine replacement, support the effort to modernize key elements of the infrastructure that supports Naval Reactors program, and refuel the land-based prototype reactor in Upstate New York.

These are all requirements that were outlined in last year's Nuclear Posture Review. Taken together, this request includes significant investments in all of our core mission areas, and will allow NNSA to play a central role in implementing the President's nuclear security agenda.

C. IMPROVE THE WAY WE DO BUSINESS AND MANAGE OUR RESOURCES

It is important for us all to recognize that these investments come at time of severe economic challenges for our country and a renewed commitment to reducing the deficit.

To maintain the consensus we have seen for supporting our programs, we have a responsibility to work together as one NNSA to IMPROVE THE WAY WE DO BUSINESS AND MANAGE OUR RESOURCES.

Changing the way we do business is an important part of our effort to transform a Cold War nuclear weapons complex into a 21st Century Nuclear Security Enterprise.

We simply cannot expect Congress to support major investments in our programs and our facilities unless we can convince them that we are responsible stewards of the taxpayer's money. And let's be honest: this is not an area in which our Department has performed especially well in the past.

We need to do better, which is why we are partnering with our M&O partners to streamline our governance model so we can devote more resources to critical mission work and maximize our ability to complete our mission safely and securely.

We are making sure we have the right contracting strategy in place.

We are improving our project management by, for example, ensuring that we no longer set cost and schedule performance baselines on construction projects until design work is 90 percent complete, ensuring we have the right leadership teams in place, and performing independent cost reviews.

We also created a new policy and oversight office for managing major projects that reports directly to the Administrator. This will help ensure that project management gets the high level focus it deserves.

We are continuing to find innovative ways to save money across the enterprise. Take, for example, our Supply Chain Management Center. Since 2007, it has used new technologies and pooled purchasing power to drive efficiencies across the enterprise. The result has been a dramatic reduction in costs.

Since our M&O partners spend approximately 80 percent of NNSA's acquisition dollars, we realized that aligning the contractors' purchasing systems and buying power through strategic sourcing would result in significant savings. As a result, we have saved the taxpayers more than \$213 million dollars. Those resources can then be redirected back into mission work at our sites.

And, as the next step, Principal Deputy Administrator Neile Miller and I recently announced that we are reorganizing the way our headquarters staff is structured. Our goal is to move this agency forward, remaking and realigning our program and mission support offices to better carry out the NNSA's work.

All of this is part of our effort to create "One NNSA," a true partnership between all of our programs and all of our partners to fulfill our common mission. We must break down stovepipes; work collaboratively across our programs and organizations; make sure our headquarters, site office and M&O partners are coordinated; and leverage all of our resources to meet our common objective – making the world a safer place.

Taken together, these steps will ensure we have a modern, 21st century national security enterprise that is smaller, smarter, safer, more secure, more efficient, and organized to succeed.

We are already beginning to see results. Last year KCP won the Malcolm Baldrige Award. Since October, NNSA projects have won two Project Management Institute Awards, including the our Global Threat Reduction Initiative which became the first federal project to win PMI's 2010 Distinguished Project Award.

Now more than ever, we are one NNSA, with one mission. The old paradigm of a "Dual Path" for NNSA – one focused on nuclear deterrence and another focused on nonproliferation – no longer applies.

Our programs are working together. We are leveraging resources from all of our sites for all of our missions, and our interagency partners are relying on us to provide critical tools.



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