HEARING TO RECEIVE TESTIMONY ON
MATTERS RELATING TO THE BUDGET OF
THE NATIONAL NUCLEAR SECURITY ADMINISTRATION

Thursday, September 17, 2020

U.S. Senate
Committee on Armed Services
Washington, D.C.

The committee met, pursuant to notice, at 9:32 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. James M. Inhofe, chairman of the committee, presiding.

Committee Members Present: Senators Inhofe, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Cramer, Scott, Hawley, Reed, Shaheen, Blumenthal, Hirono, Kaine, King, Heinrich, Peters, Manchin, and Jones.
OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM OKLAHOMA

Chairman Inhofe: Our meeting will come to order.

The committee meets today to receive testimony on the National Nuclear Security Administration’s fiscal year 2021 budget request and to address some concerning efforts to undermine NNSA’s relationship with the DOD. Arguably, this could go down as one of the most significant hearings that we have had, and we have had a lot of hearings.

I want to welcome our witnesses, including the first two women ever to head up the nation’s nuclear enterprise. Our country is very fortunate to have your leadership in these challenging times. So we have the Honorable Lisa Gordon-Hagerty, the Administrator of the National Nuclear Security Administration; and Honorable Ellen Lord, Under Secretary of Defense for Acquisition and Sustainment and Chair of the Nuclear Weapons Council; and Admiral Charles Richard, Commander of the United States Strategic Command.

As this committee focuses on implementing the National Defense Strategy -- that is this right here. We have referred to this many times before, a great document that is put together on a bipartisan -- and what we were attempting to do is consistent with that.

And when asked about the priorities for dealing with China and Russia, General Milley, the Chairman of the Joint
Chiefs of Staff, said -- and this is a quote -- I think the very number one priority for me and number one priority stated for the Department of Defense is the modernization, recapitalization of the nation’s nuclear triad. And I could not agree more. General Milley is exactly right and on target.

Thanks to President Trump’s decisive leadership, we are making great progress towards this goal. Unfortunately, we are here today to address a very real threat to our nuclear deterrent, but this threat is not from China or Russia. It is one of our own making regretfully.

Coordination and transparency between DOD and NNSA is critical to the modernization of the triad, but there are those who are trying to weaken that coordination. And I want to be clear. They are undermining our national security in doing so.

Recently I have learned that individuals from the Department of Energy have worked behind the scenes with House Democrats on ill-advised legislation that would -- I am going to mention four things here, very significant. I hope you will take note of them.

That language that has been proposed from the House would bury the Nuclear Weapons Council in unneeded bureaucracy and bring its decision-making process to a grinding halt.
It would, number two, prohibit all cooperation between NNSA and the Nuclear Weapons Council for maintaining the safety and security of our nuclear weapons.

Number three, it would destroy the NNSA’s congressionally mandated independence and drag us back to the dysfunction back during the Clinton years.

And number four, it would do lasting and possibly irreversible harm to the President’s efforts to preserve and improve our deterrent, an effort even former President Obama understood was necessary. And we have heard our President talk over and over again about the significance of this and about the threat that is posed out there.

In fact, I have a letter from the Department of Defense objecting to these provisions. The provisions that we are referring to that are being proposed in the House. I would like to enter into the record Secretary Esper -- and I am going to go ahead and put his entire statement, without objection, into this record.

[The information follows:]

[COMMITTEE INSERT]
Chairman Inhofe: But a couple sentences out of it. He said, after reviewing the recently House-passed fiscal year 2021 appropriations bill and the national defense authorization bill, I would like to share with you my strong concerns with several related aspects of these bills. If left unaddressed, provisions affecting DOD, DOE, and NNSA put modernization of the United States nuclear deterrent at unacceptable risk. That is the Secretary of Defense.

I also have a letter from the chair of the NWC, who is here with us right now, that objects to these provisions, and I would like to enter that into the record. That is this. And we will, of course, hear from him during the course of this meeting.

[The information follows:]

[COMMITTEE INSERT]
Chairman Inhofe: It is not surprising that opponents of nuclear weapons support these efforts. We would expect them to do that. What bothers me is that people who should be doing all they can to support the critical work of the NNSA are instead trying to undermine it. As chairman of this committee, I will not stand by idly and allow this to happen. The work is too important.

I suppose we should have expected this sort of political maneuvering to continue after what happened earlier this year with the fiscal year 2021 budget request. We all remember that. Because of the certain individuals at the Department of Energy, what they did, the cutting the DOD out of the NNSA budget development process until the last minute, the budget coordination process broke down completely.

You know, I was in shock when that took place, and I found out that during this process, that the DOD is not even considered, not even consulted not in any way. And they were not knowledgeable of what the budget was until after it was already developed, and that is totally unacceptable. I mean, they are the customer. And I was surprised. People are surprised. Right now, the majority of people in the United States Senate are probably not aware of that.

But in the process, these bad actors actively misled the U.S. Congress. There was no misunderstanding. They
lied to us, and later they admitted it. One of the lies was
they were talking about a slush fund of $6 billion to $8
billion that is out there. There was not a slush fund, and
they knew it and they admitted it later.

As a result, we had to go to the White House and save
one of President Trump’s top priorities. When we took our
case to the President, he agreed with this. He was
frustrated and annoyed that simple coordination could go so
wrong. I applaud the President’s decisive action to resolve
that issue. We all thought that his clear direction would
solve the near-term problem.

Then to fix the longer-term problem, my friend, Senator
Reed, and I drafted legislation to help DOD and NNSA improve
their coordination efforts. These common sense provisions
passed easily in the committee. In our committee, they
passed 25 to 2, and the two who voted against it were
against the bill anyway. So you could say it was
unanimously accepted. That is the language that we are
talking about. These simple measures ensure that DOD and
NNSA officials have the information required to do their
jobs, keeping us safe and maximizing taxpayers’ dollars.
These provisions were and should remain uncontroversial.

We know how this process should look. For example, DOD
and the intelligence community work very closely to ensure
intelligence programs meet the military needs. They are in
total agreement on these things. That is what should be taking place in the other areas. It is a straightforward matter of good governance and effective civilian oversight.

Our bill would do the same for the NNSA budget. Keeping our nuclear modernization efforts moving forward demands close cooperation between DOD and NNSA. The ability to see each other’s program and budget details is the fundamental requirement for realistic future planning. Without effective coordination, nuclear programs will face unnecessary cost overruns and schedule delays. Dropping the ball on nuclear modernization means that we are disarming ourselves in slow motion, which puts us on a trajectory to fall further behind our adversaries.

You know, there was a time that we did not have adversaries that had that sophistication, this equipment, this technology, the resources that they have today. Truly they are ahead of us. We all know what happened and how that happened. And they are there. It is not like it was. I sometimes get criticized when I say I look back at the good old days of the Cold War when we knew there were two super powers. We knew what they had; they knew what we had. That was easy. It is not the way it is today.

And that is why Congress legislated coordination between DOD and DOE in the first place all those years ago, and that is why the Nuclear Weapons Council exists today.
That is the reason for it.

All of you and all of DOD and NNSA want to work together more closely to ensure that nuclear modernization programs are correctly aligned and delivered on time, and we need the Department of Energy to join in this effort. There has been much talk, a lot of inaccurate, about this issue. So we have three members of the Nuclear Weapons Council here today to explain how we can improve DOD and NNSA coordination.

I want to commend the three of you, all three of you, for the work in modernization in the nation’s nuclear deterrent. Your efforts in the Nuclear Weapons Council have been some of the most productive I have seen, maybe the most productive that I have seen, in the years that I have been here. Our nuclear forces are absolutely critical to our nation’s security, and I would hate to see all of your hard work undone by rogue actors who do not support our shared efforts. We cannot let personal agendas distract us from this critical mission.

So I thank you for appearing here today in a very difficult and very significant, perhaps the most significant, meeting that we have had in a long time.

Senator Reed?
STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE ISLAND

Senator Reed: Thank you, Mr. Chairman.

Let me welcome the witnesses and also commend them for their extraordinary service.

The President’s fiscal year 2021 budget request for defense-related activities at the Department of Energy is approximately $26 billion, which is an 8 percent increase over last year’s enacted level. And this $26 billion represents approximately 73 percent of the $35 billion budget request for the entire Department of Energy.

Within the defense portions of the DOE budget, the fiscal year 2021 budget request of the National Nuclear Security Administration, or NNSA, is $19.8 billion, which is an increase of $3 billion, or 18.3 percent over last year.

Within the NNSA, the weapons activities account has been increased by $3.1 billion, or 25 percent, from fiscal year 2020 to fiscal year 2021.

While I understand the NNSA has facilities recapitalization and weapons modernization underway, we need to understand whether the NNSA can adequately execute such large increases to their budget.

The Nuclear Weapons Council, or the NWC, has served since 1946 as the forum where the Defense Department sets requirements for the production of nuclear weapons for the
NNSA. Under Secretary Lord serves as the chair of the NWC.

The fiscal year 2014 National Defense Authorization Act required that the council certify to Congress that the NNSA budget meets DOD’s requirements when the President’s budget is submitted. This year for the first time, the Nuclear Weapons Council could not make that certification. My understanding is that the $3 billion increase in NNSA’s budget came too late in the process to allow the NWC to review it. I understand that the Nuclear Weapons Council has now developed planning guidance for review of NNSA budgets to avoid a repeat of last year. Under Secretary Lord, I am interested in hearing details of the guidance and whether this process has been followed for the fiscal year 2022 budget.

Under Secretary Lord, while you are to be commended, indeed highly commended, for putting such guidance in place, I have concerns that because it is only a directive, it will not necessarily carry forward through future administrations. I would like to hear your thoughts on how this guidance can be institutionalized.

A second concern I have is that while NNSA and DOD have worked through their process, OMB will remain a wild card in the final budget deliberations. OMB sits in the NWC meetings but are not formally members of the council. I understand that no one is likely to have an answer to that
dilemma, but the interaction among DOD, DOE, and OMB certainly caused much turmoil this year.

Administrator Gordon-Hagerty, last year’s OMB budget process revealed to us that you carry as much as $8 billion, or 40 percent of your budget, at your plants and labs as so-called costed or committed but not expended funds. The other term is “no-year money.” I would note that the DOE Office of Environmental Management is being cut $1.2 billion this year and being told to use their carryover to offset this cut. Has this $8 billion been clarified with OMB since it contributed to much of last year’s confusion? And I will ask you that when we get the opportunity.

The NNSA is working to meet the requirements of both the 2010 and 2018 Nuclear Posture Reviews. This mission means a very high workload and many competing demands all at the same time. For example, NNSA plans to overhaul five weapon systems over the next 30 years. All of these programs will concurrently require nuclear and non-nuclear parts from NNSA’s plants and labs that in many cases were built to accommodate maybe one or two programs, not four or five.

In addition, I worry that there are concurrency problems given the recent issue of defective capacitors impacting multiple warhead programs with delays and costing more than $800 million.
NNSA also has several complex construction projects underway. They are preparing to produce 30 pits per year at Los Alamos by 2026, which will require extensive new equipment, while at the same time constructing a $6.5 billion facility at Oak Ridge to handle uranium. In addition, the NNSA is repurposing the Savannah River site to produce additional pits. Administrator Gordon-Hagerty, I am interested in NNSA’s approach to ensuring all these projects are accomplished on budget and on time.

And again, I thank the witnesses and look forward to the testimony.

Chairman Inhofe: Thank you, Senator Reed. That is a great statement. And we are working so well together on this critical issue.

So we will go ahead and we will start with opening statements, and we will start with Lisa Hagerty.

I have an apology to make to the committee. I had an accident last week, and I cannot see out of my left eye. It is all going to be all right, but it sure is a difficult thing to deal with right now.

So we will begin with you, Lisa Gordon-Hagerty, for your opening statement.

He commented that I could only see to the right. Well, really nothing has changed.

[Laughter.]
Chairman Inhofe: You are recognized for your opening statement.
STATEMENT OF HON. LISA E. GORDON-HAGERTY,
ADMINISTRATOR, NATIONAL NUCLEAR SECURITY ADMINISTRATION

Ms. Gordon-Hagerty: Thank you. Chairman Inhofe, Ranking Member Reed, and members of the committee, thank you for the opportunity to testify before you today representing the extraordinary men and women of the National Nuclear Security Administration.

I want to begin by stating that 2020 is an important year for NNSA as we celebrate our 20th anniversary. As a semi-autonomous agency within DOE, the NNSA continues to achieve outstanding results in support of the nation’s nuclear deterrent. We are grateful for your strong bipartisan support of NNSA’s national security missions and the people who execute them every day.

Chairman Inhofe, a written statement has been provided to the committee, and I respectfully request that it be submitted for the record.

Chairman Inhofe: Without objection.

Ms. Gordon-Hagerty: Thank you.

Despite the challenges associated with the COVID-19 pandemic, I appreciate the bipartisan support and effort with the passage of the NDAA fully supporting the President’s fiscal year 2021 budget for NNSA. The budget represents President Trump and this administration’s commitment to restoring NNSA’s infrastructure and
modernization programs to ensure that America has a safe, secure, and effective nuclear deterrent for many decades ahead, including recapitalization of the nation’s plutonium pit manufacturing capability that was shuttered 30 years ago.

This funding also affirms the administration’s continued work to provide militarily effective nuclear propulsion for the United States Navy’s fleet of aircraft carriers and submarines and to reduce threats posed by nuclear proliferation and nuclear terrorism.

This funding enables NNSA to use its scientific and technical expertise to verify and monitor treaty compliance and support international arms control initiatives. And to be clear, this administration is committed to arms control efforts that advance U.S. and allied partner security, are verifiable and enforceable, and include partners that comply responsibly with their obligations.

During the COVID-19 pandemic, we have all faced many firsts, many challenges, and many tests to our resiliency. Although NNSA’s top priority remains the safety and health of our workforce, our unique set of responsibilities meant that we could not rely solely on teleworking to achieve our vital nuclear security missions. At the outset of this crisis, we identified several mission-critical operations that could not be performed remotely and have continued this
work on site while always following national health and safety guidelines. Consequently, I am proud that throughout this pandemic, NNSA has not missed a single major deliverable or milestone.

We have continued to achieve our missions while successfully maintaining as safe a working environment as possible. This success is the direct result of the adaptability and the dedication of the 50,000 men and women in the NNSA’s workforce. I believe our response to the current environment demonstrates why we as NNSA and as a nation are so very strong.

Although I am beyond proud of the nuclear security enterprise’s workforce resiliency and innovativeness throughout this crisis, I am conscious of the reality that many of our critical activities are on borrowed time due to the challenges of recapitalizing the enterprise’s aging infrastructure and rebuilding our unique industrial base.

Additionally, with more than one-third of our workforce eligible for retirement over the next 5 years, our ability to recruit and retain the next generation of highly skilled scientists and engineers is vital to our national security. To address this challenge, NNSA is pursuing an aggressive hiring strategy with the goal of adding an estimated 4,000 to 6,000 employees annually across the enterprise. To meet this goal, we have broken the paradigm of traditional
government hiring practices to reflect a more corporate approach working enterprise-wide. As a result of this new approach, we succeeded in hiring nearly 7,000 employees in fiscal year 2019 and are on track to meet our fiscal year 2020 goal despite COVID.

In addition to executing short-term requirements, however, we must be focused on setting the conditions today for a resilient, responsive enterprise for the next 50 years and beyond. Key to this effort is adequate and sustained funding that will allow for long-term budgeting and planning. Again, we are grateful to Congress for your strong bipartisan support for our nuclear security missions.

Finally, one area I would like to address in particular is our alignment with our customer, the Department of Defense. In May, DOD and NNSA signed the NWC Planning Guidance and Budget Certification Process, which was undertaken within existing statutory authorities and further strengthens our alignment. I have forwarded NNSA’s budget proposal for fiscal year 2022 to the NWC describing how NNSA will continue to execute our critical strategic deterrent missions.

NNSA is deeply committed to our national security missions and continued collaboration with DOD who is not only our customer but is also our partner in this critical endeavor. I would like to personally thank Admiral Richard
and Under Secretary Ellen Lord and the members of the NWC for their continued support, professionalism, for their collegiality, and for their service to our great nation.

Thank you again for the strong support of this committee and the opportunity to testify before you today. I stand ready to answer any questions you may have. Thank you.

[The prepared statement of Ms. Gordon-Hagerty follows:]
Chairman Inhofe: Thank you so much. Excellent statement.

We will now hear from Ellen Lord.
STATEMENT OF HON. ELLEN M. LORD, UNDER SECRETARY OF
DEFENSE FOR ACQUISITION AND SUSTAINMENT

Ms. Lord: Thank you. Chairman Inhofe, Ranking Member
Reed, and distinguished members of the committee, thank you
for the opportunity to testify today.

I am pleased to be joined by colleagues, Administrator
Ms. Gordon-Hagerty and Admiral Richard, to discuss what four
successive Secretaries of Defense have called the Department
of Defense’s highest priority mission: ensuring that the
United States has a safe, secure, reliable, and credible
nuclear deterrent now and in the future.

I would like to frame my remarks around three key
points.

One, despite actions by the United States to lead the
world in reducing reliance on nuclear weapons, potential
U.S. adversaries have gone in the other direction.

Two, although effective today, the U.S. nuclear
deterrent remains dependent on aging weapons, platforms,
delivery systems, infrastructure, and nuclear command,
control, and communications, or NC3, systems built during
the Cold War.

Three, DOD has embarked upon the first recapitalization
of our triad since the end of the Cold War, and we cannot do
it alone. The partnership between DOD and DOE and NNSA
continues to thrive through the interagency Nuclear Weapons
Council, or NWC.

Today we face a stark reality. The longstanding and repeated warnings about the need to modernize and recapitalize the U.S. nuclear deterrent is no longer a warning about the future. The tipping point in recapitalization that we have long tried to avoid is here. And we believe the condition of the nuclear enterprise now poses possibly the greatest risk to deterrence.

As the Under Secretary of Acquisition and Sustainment, I serve as the chairwoman of the NWC, which oversees sustainment and modernization of our nuclear weapons and supporting infrastructure and ensures their alignment with DOD programs. The NWC convenes every month to synchronize efforts between DOD and NNSA. The NWC also reviews costs and schedules for options related to the nuclear stockpile driving NNSA and the services to meet requirements in ways that are both cost effective and timely. As a result, the NWC’s mission requires unprecedented levels of cooperation and coordination between two independent cabinet agencies to ensure that budget requests for nuclear modernization are aligned and that Admiral Richard’s requirements are met.

Through our coordination in the NWC, NNSA’s fiscal year 2021 budget request reflects the necessary funding needed to meet DOD’s requirements. The NWC recently convened to review the House of Representatives’ appropriations marks
that will affect the NWC’s entire program of record, including the ongoing B-61-12 bomb, the W88 warhead, and W80-4 warhead refurbishment efforts, as well as the longer-term modernization programs.

On behalf of the NWC, I strongly urge full support for the NNSA’s budget request, as well as successful resolution of the language in various fiscal year 2021 congressional bills that would prevent the NWC from carrying out its statutorily mandated responsibilities.

I want to thank this committee for its longstanding bipartisan support to our nuclear deterrent mission and the men and women in uniform who are its backbone.

I look forward to answering your questions. Thank you.

[The prepared statement of Ms. Lord and Admiral Richard follows:]
Chairman Inhofe: Thank you very much.

And, Admiral Richard, let me, first of all, thank you for your long, enduring service to our country. We appreciate and love you very much. You are recognized for your opening statement.
STATEMENT OF ADMIRAL CHARLES A. RICHARD, USN,
COMMANDER, UNITED STATES STRATEGIC COMMAND

Admiral Richard: Well, thank you for that, Chairman Inhofe. And good morning to you, Ranking Member Reed, distinguished members of the committee. It is an honor to be here today alongside Ms. Lord and Ms. Gordon-Hagerty and a privilege to represent the 150,000 men and women performing U.S. Strategic Command’s missions every day. I am constantly reminded by the dedication of our soldiers, sailors, airmen, marines and civilians who maintain the watch particularly in these COVID operating environments we are now. But the people of U.S. Strategic Command have a can-do attitude that I have rarely seen elsewhere.

I want to thank the President and the Secretary of Defense, Chairmen for their continued leadership and confidence.

I want to thank Congress and particularly this committee for your support in ensuring the Department, STRATCOM, and our interagency partners, particularly the Department of Energy, have the required resources necessary to execute our mission to deter strategic attacks and guarantee the security of our nation and our allies. Congressional support, budget stability, and on-time appropriations are essential requirements for a long-term view approach to defense, allowing my command to realize
presidential guidance, interagency goals.

The President’s fiscal year 2021 budget supports implementation of the National Security Strategy, meets my operational requirements, and responds to evolving existential threats we face.

First, what I would like to do is offer that these commitments are necessary because our country, our allies, partners, and the current world order continues to confront existential threats. Both China and Russia are investing considerable resources to advance and expand their nuclear arsenals, conventional forces, and they are adopting an increasingly assertive posture threatening the use of force to fundamentally alter the accepted international norms and rules at the expense of our nation and allies. North Korea and Iran continue to conduct harmful activities regionally, causing instability and threatening the United States, our allies, and partners.

As a global combatant command, STRATCOM forces, my forces, are prepared to respond to any contingency, and should strategic deterrence fail, we stand ready to deliver a decisive response. A powerful, ready triad, survivable nuclear command, control, and communications with supporting infrastructure are foundational to our strategic deterrence and assurance strategies. They are fundamental to national survival. And this part is important. This is my job is to
set the conditions strategic deterrence is holding that
allow the rest of the joint force to accomplish its mission.

Our nation is at a critical juncture regarding the
future of our nuclear forces. We have led the world in
reducing the numbers and types of nuclear weapons in our
arsenal while our adversaries, potential adversaries,
continue expanding their strategic capabilities across
multiple domains. It is now our generation’s turn to make
the same wise investments required to deter nuclear or other
strategic attacks and great power war for future
generations.

Starting with our nuclear weapons complex, if we fail
to start investing wisely now, the result may be -- and this
is the tipping point that we have referred to -- the need to
rebuild nearly from scratch over one or more decades our
human capital and the technical expertise required to be a
nuclear power. Given stable and consistent funding, I
remain confident NNSA will meet the expectations we are
asking and succeed in addressing the bow wave of activities
confronting us. We must continue the Department’s number
one priority to recapitalize our nuclear forces, including
weapons construction and maintenance with supporting
infrastructure.

We do not pursue parity with our adversaries’ arsenals
nor seek an arms race, but provide for a qualitative and
comprehensive approach toward a viable deterrent for the future.

STRATCOM is focused on maintaining a safe, secure, and effective deterrent force, providing tailored strategies to meet our responsibilities. We were tested by COVID, rose to the challenge.

I am grateful for your continued support which aids development of the future force necessary to execute the Department’s highest priority mission.

Thank you for the opportunity to be here today, and I look forward to your questions.

Chairman Inhofe: Thank you, Admiral Richard.

We will now begin with questions. I will begin. The first question I have would be for Secretary Lord.

Any decent coordination requires the DOD and NNSA to share budget data well before it is developed and presented. Can you tell me what changes that you have made in the NWC process for reviewing the NNSA budget after last year’s fiasco? Are there any further steps that you are considering for improving the process? And is there anything that we can do to make that easier for you?

Ms. Lord: Yes, thank you. In May I signed out planning guidance for the NWC to compel NNSA to share their budget details by September 1 of each year so the Nuclear Weapons Council could review it and understand how it pairs
with DOD’s proposed budget. We did this year in early September receive that budget, and in fact, just yesterday we had a Nuclear Weapons Council meeting in which we reviewed details of that.

What we have done additionally is come up with a construct for a working group to do a budget deep dive. We actually have an outline here that we put forth that talks about a September 22nd date for stockpile management, a 29th date for infrastructure and operations, October 6th for stockpile RT&E, and October 13th production modernization, with a goal of coming back to the Nuclear Weapons Council and understanding in depth the assumptions behind what is submitted to Congress.

What we plan to do is update our guidance, our planning guidance, this year with a generic form of this to again help guide the process so that we are well aligned.

I think it is worth pointing out that this working group has not only NNSA representation and a variety of DOD representation, but OMB as well. So in this way, we will synchronize efforts and align.

Chairman Inhofe: Excellent.

Let me just ask a little bit further. Do you believe that your policy and the Senate’s NDAA language both aim to improve transparency and accountability on the NNSA budget and ensure that the Nuclear Weapons Council is not surprised
the way it was the first year?

Ms. Lord: Yes.

Chairman Inhofe: That is good.

And, Administrator Gordon-Hagerty, do you believe that the DOD and the NNSA coordination would improve if each better understood the internal workings of the other?

Ms. Gordon-Hagerty: Mr. Chairman, I believe that the system that we have in place right now and with the improvements that we have made throughout the NWC with the signing of the materials in May will improve greatly the transparency of the NNSA budget within the NWC. It is critical that we continue to operate as we have been over the last couple of years under Under Secretary Lord’s leadership and with the great partnership that we have throughout the NWC.

Chairman Inhofe: Very good.

Now, on the other hand, the recent legislation in the House would prohibit NNSA from working with DOD in the Nuclear Weapons Council and put the Secretary of Energy on the Nuclear Weapons Council. Secretary Lord, how would this legislation affect coordination between DOD and NNSA? Would this extra layer of bureaucracy make it more or less efficient?

Ms. Lord: It would make it far less efficient and I am afraid might destroy the relationship right now that we have
between DOD, as well as NNSA. There are also very problematical cuts to the budget, $2 billion, in NNSA that would directly impair our ability to deliver B-61-12, which we are on record with the first production unit in 2021, as well as the W80-4 warhead. There were also other cuts called out. In W93, it was zeroed out; LRSO, $170 million; GBSD, $60 million. And essentially a lot of the language removes the semi-autonomous nature of NNSA.

It also elevates the Nuclear Weapons Council to two cabinet level positions, which I think is absolutely unfeasible, particularly as we do have a cadence of monthly meetings that focus on specific programs. We generate a lot of very specific reports and do a lot of in-depth program reviews.

Chairman Inhofe: Excellent.

And, Administrator Gordon-Hagerty, what damage would be done to the DOD and the NNSA relationship if you were not allowed to work through the Nuclear Weapons Council?

Ms. Gordon-Hagerty: The Secretary of Energy has testified that he supports the elevation of the Nuclear Weapons Council to support co-chairs of the Secretary of Energy and Secretary of Defense. In my 30-plus years as a career civil servant, in and out of government, and working with the NWC, what I can say is that the system that we have in place right now and unless otherwise directed by Congress
to change is working well, and we are working at an operational level, if you will, making the decisions necessary at the, if you will, action officers, sub-cabinet level because it is important that we can be decisive. And with two cabinet officials, they certainly are busy with the work of their respective departments. So what I can say is that the administration does oppose it.

   Chairman Inhofe: That is very good.

   The House appropriations bill cuts the President’s request, the NNSA request, by almost $2 billion. Now, we went through this exercise once before, and we know what we had to do to get back where we are supposed to be.

   So, Madam Administrator, can you explain why your fiscal year 2021 budget request grew from the previous year and what the $2 billion cut this year would do to your programs? Would you be able to meet the DOD requirements?

   Ms. Gordon-Hagerty: Sir, in a word, no, we would not be able to meet the requirements of the Department of Defense. We recognize that this is quite an aggressive schedule, but I am confident that the NNSA can execute.

   We developed the fiscal year 2021 budget based on risk-informed, systematic requirements. We involved all of our laboratories, plants, and sites leadership and prioritized what the missions would be so that we could execute our roles and responsibilities insofar as supporting the nuclear
deterrent. It was a result of a yearlong requirements-based budget to prioritize those missions within NNSA that needed to be done. Again, like I said, we had all of our labs, plants, and sites involved in this from the outset.

It is interesting that we talk about the 18-plus percent increase from fiscal year 2020 appropriated levels to fiscal year 2021. There is a reason for this. Over the last 20 years or so, the NNSA operated with basically one life extension program, one modernization program. That was the 76-1. We are operating right now with requirements for four major modernization programs, and if authorized and appropriated, there will be a fifth with the W93. So we are really essentially waking up our system.

Over the last several decades with the lack of funding and the lack of support that we had received from previous administrations and previous Congresses, we are at a tipping point. We have no more time. We must pursue this aggressive strategy to recapitalize our infrastructure and make sure that we have the men and women throughout our nuclear enterprise to be able to execute these missions.

So we are in a good position now. Again, I know it is an aggressive schedule, but I have the commitment of our laboratories, plants, and management leadership that we will be able to execute these very important missions to maintain a nuclear deterrent second to none.
Chairman Inhofe: Secretary Lord, we heard from Energy that they have stated that they have all the information, budget data information, sent to us for coordination. Now, this seems to be different than what happened last year. So I would just ask you the question. Have you received what you need to execute the Nuclear Weapons Council’s statutory responsibility to review and approve the NNSA budget?

Ms. Lord: We have gotten what was submitted to Congress -- what will be. We still have a bit of work to do to understand the intent and the scope of what those numbers encompass. So that is why we put this working group together that I mentioned before. So I believe we have about another month’s worth of work to do to make sure that we are fully aligned between NNSA and DOD, and that is working along with OMB as well.

Chairman Inhofe: Yes. That is good.

You know, I say to our members on both sides of the aisle that we have something at your desk I believe similar to what is on the charts showing the state of disrepair that is out there right now. This has been totally ignored in the past. When you look at that, it is hard to believe that we could expand our activity effectively with that infrastructure.

Administrator, do you agree that we urgently need to modernize NNSA’s nuclear weapons infrastructure?
And I would also ask Admiral Richard, are increased investments in the NNSA nuclear weapons infrastructure needed to maintain our nation’s nuclear deterrent capabilities?

Let us start with the Administrator.

Ms. Gordon-Hagerty: Thank you, Mr. Chairman. Thank you for putting those pictures up.

Let me start by saying more than 50 percent of our enterprise is more than 40 years old, and one-third of it dates back to the 1940s. So, therefore, time is of the essence to recapitalize our infrastructure throughout the entire NNSA. Long gone are the days where we would be able to just patch these facilities.

For example, one of the pictures you have is perhaps of the lithium facility at Y-12. Portions of the ceiling are falling in. I think that is atrocious that we put potentially our workforce at risk. We need to make sure that we have state-of-the-art infrastructure so we can recapitalize our enterprise and make sure that we can provide to the Department of Defense the requirements that they so sorely need to maintain our nuclear deterrent.

Our main priority is to remain completely aligned with the Department of Defense, and the only way to do so is to make sure that we have state-of-the-art facilities, together with the workforce that is necessary to carry out our unique
missions, unique only to the NNSA.

Chairman Inhofe: That is very good. And I really appreciate the responses to these questions in a very straightforward way.

I would only conclude by asking Ms. Gordon-Hagerty, what kind of problems do you have on this COVID-19? How has that impaired your ability to do your job?

Ms. Gordon-Hagerty: Mr. Chairman, COVID-19 established unprecedented realities for our entire nuclear security enterprise. My number one priority is for the health and safety of our workforce. Throughout COVID, however, we did not have the opportunity to maximum telework. We did do our best, however. Because of our unique missions throughout NNSA, we had to maintain the nuclear weapons complex. In so doing, however, we provided resources necessary and direction to our entire enterprise to support ongoing activities. I am heartened to say that we did not miss one major milestone or one delivery to the Air Force or to the Navy throughout this time. However, those challenges had to be prioritized. There were some missions that certainly fell below the priority line so that we could continue to maximize telework where possible and protect our workforce, which again is our number one priority.

That said, we do have some challenges ahead of us. We are going to have other missions that had been put
essentially on hold, and we are going to have to make up for lost production. So we do have challenges ahead, but we recognize the great work of men and women of our workforce and what they have been able to do to ensure that the Department of Defense receives the necessary support throughout COVID.

Chairman Inhofe: Good. That is very good.

John Bonsell just reminded me, Admiral, that I asked you a question but did not give you a chance to answer that question. Your answer to the question is very important to be a part of the record of this meeting.

Admiral Richard: Chairman, I thank you for that. And the short answer to your question is yes. In fact, it is an emphatic yes.

Ms. Gordon-Hagerty just gave you some details of the condition of this infrastructure. I want to applaud you for your interest in this question. Remember, some of this stuff dates back to the Manhattan Project, and it goes beyond -- Ms. Lord just gave a very good summary of individual impacts. And I offer that those programmatic impacts transfer to me as operational risks that I have to take in terms of capabilities that are not available for me to use to execute what the nation has asked me to do.

But it is even more fundamental than that. This strikes at the core of our credibility as a nuclear weapons
state. And the point here is that both our allies and our competitors watch what we do, and it is important for us to demonstrate our commitment to this mission set. And if we do not recapitalize now, we are going to cross these points of no return where we will not be able to reassemble either the human talent or the physical plant for unlimited amounts of money for very long periods of time so that I and future STRATCOM commanders can have the capabilities needed to execute this mission.

Chairman Inhofe: That is good.

Senator Reed?

Senator Reed: Well, thank you very much, Mr. Chairman. And thank you again to the witnesses.

Under Secretary Lord, what triggered a lot of this attention, activity, and today’s hearing in some respect was the fact that you could not, for the first time, certify -- the NWC -- the adequacy of the budget and our ability to respond to these concerns.

I think it would be helpful if you could just give us a brief summary of what happened.

Ms. Lord: So what happened last year was we did not have sufficient insight until a few days before the President’s budget dropped to understand how well aligned the NNSA’s and DOD’s budgets were. So that led us to write a February 10th, 2020 letter saying that we were unable to
certify the budget.

We then dug in and did the work that frankly we are doing right now on the 2022 budget so that by May 26th, I could certify the budget.

Senator Reed: And as you have indicated, you have received information from the Department of Energy about the budget, but you suggest that it is not fully complete and you need more information. Is that accurate?

Ms. Lord: Well, they submitted -- NNSA -- what they were compelled to do, yes. However, in order to understand what is contained in those numbers, because we are talking about multiple programs on all three legs of the triad, we need to have conversations because, for instance, when you look at the $2 billion mark there is right now, it might not be intuitively obvious how that would affect certain programs because it is a lot of the infrastructure and it is a lot of the supporting work that is done. So we need to make sure that not only the direct costs, if you will, that affect our weapons modernization or maintenance of the stockpile are addressed but also the indirect costs that allow you to have the workforce, a trained workforce, that allows you to have the facilities required and so forth.

Senator Reed: Thank you.

Administrator Gordon-Hagerty, one of the areas that caused much confusion last year was the point I made in my
statement, the no-year money. This is monies that NNSA --
for example, apparently there is money from 2007 on
international agreements that still have not been spent.
And we learned this year there could be as much as $8
billion in money sent to the labs and plants, committed or
costed but not spent. It is still there and it is still
available. That is about 40 percent of your budget.

The Department of Defense generally has very clear
guidelines about spend rates so that this type of
accumulation does not take place.

Can you give a more detailed explanation of this
carryover or no-year money?


NNSA has worked significantly to minimize our
carryovers and have worked to make sure that this process is
transparent. In fact, I am pleased to say that for the
fiscal year 2019 budget, NNSA has net funds of only $384
million for $15.6 billion budget. That is significant.

Despite the fact that there is this question about
whether or not we have $8 billion in carryover despite its
being an impressive number, in fact, it is a reasonable
amount for NNSA, given that we are executing 5-year plan
funding for a profile of over $100 billion. In fact, it is
a prudent management approach, and GAO actually agrees with
this. We are, in fact, one of the federal agencies -- we
are at or below the common figures for carryover throughout
the Federal Government. We are consistent with or even
lower than other federal agencies.

This carryover is used for long-planned life extension
programs, infrastructure activities, including capital
construction projects such as UPF.

In terms of the nonproliferation issues and the
multiyear projects, those are international projects that
cannot be executed in a year or in the year in which they
were funded. Many of these returns of highly enriched
uranium or separated plutonium to keep the world safer take
multiple years to execute. And so, for example, we had a
multiyear effort we just completed with the United Kingdom.
That was over 7 years in order to complete. So where it
might look like it is no-year or carryover money, in fact it
is dedicated to or committed to specific programs.

Senator Reed: There are other offices in DOE like the
Office of Environmental Management that has received a
decrement. Could they use carryover money either NNSA or
other carryover money?

Ms. Gordon-Hagerty: I am not quite sure about the
other carryover money, sir. However, these monies are again
obligated to programs that are ongoing, long lead time
procurements or long construction projects like our capital
construction projects such as UPF.
Senator Reed: One of the impressions I had last year was that OMB’s interpretation of the carryover money was critical to the decisions that were made. Are they fully in agreement with your position?


Senator Reed: And, Admiral Richard, for a final question. As we all know, we are recapitalizing the triad, a huge, huge undertaking and one we have not done in decades. And there is the likelihood, because of a little bit of rustiness in our system, that there is going to be some slippage.

Can you talk about the contingency plans you have if you encounter slippage?

Admiral Richard: Well, Ranking Member, one, I thank you for the question, and the answer is initially I have been very impressed by both the services and the Department of Defense’s ability to minimize the chance that there is going to be slippage. In fact, I would prefer that we continue to ask the question, what is it going to take for these programs to come in on time, instead of assuming that there is going to be a slippage inside that.

Part of how we got to the point to delay the recapitalization of the triad as long as we did is we have already used just about all the available operational margin. So if we keep going, I will, one, expend the
remaining hedges that are inside our triad, which are put there for a number of risks, including operational, technical, and geopolitical. Those will not be available because we will have expended them early on programmatic. And then beyond that, I will have to start to revisit what elements of our strategy I cannot execute.

Senator Reed: Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Thank you, Senator Reed.

Since we will have some of our members on Webex and are not here physically and we are not real sure, certain if some others may be here, I will go ahead and go down the list as if everyone were here and then catch the next one in line.

So Senator Wicker would be next. I understand he is not present by Webex. So Senator Fisher.

Senator Fisher: Thank you, Mr. Chairman. I am here in my office. And thank you for holding this extremely important hearing.

Administrator, I would like to look at the House budget in a little more detail. I know you touched on it with the chairman. But when we are looking at that proposed funding at $1.9 billion below the level that was requested for the fiscal year 2021 budget, many of the larger cuts seem to be falling on plutonium modernization efforts and
Can you describe the impact that this cut would have on your mission?

Ms. Gordon-Hagerty: Nice to see you, Chairman Fisher, even by Webex. Thank you.

I would like to touch in more detail on the proposed cuts and the implications they would have from the hewed $2 billion. The impacts, like you said, would also affect our plutonium pit production.

Bottom line is that with the cuts, no matter how small they may be in individual programs, in the aggregate they make a profound difference in being able to modernize and recapitalize our capabilities throughout the nuclear weapons enterprise.

Insofar as the plutonium pit production, that will take us off course. Now, recognizing we do have an aggressive schedule to make 26 pits in 2026 at Los Alamos and indefinitely, as well as 50 pits per year at the proposed Savannah River plutonium production facility in 2030, this would take us off our schedule. We are committed to Congress and to our Department of Defense counterparts that we will be able to commit to producing not less than 80 pits per year in 2030. This proposed cut in the hewed marks will affect that, and we will not be able to make that commitment any longer should the 2021 proposed hewed mark go forward.
Additionally, we have other responsibilities. Let me just say that is a $500 million, or a half a billion, cut to our pit production, and those highest impacts will make sure again that we will not be able to make our commitments for the 87-1 and the other programs for which pit production is important.

The mark, although it fully supports the 87-1 and the 80-4 LEPs, the two life extension programs, those cuts would have negative impacts across our entire enterprise. While it fully supports that, it cuts non-nuclear production at Kansas City, and it buts programs for our Y-12 canned subassembly, the secondaries for our nuclear explosive package. So those cuts will cause major delays in all of our programs and actually result in increased costs to the taxpayer in the future.

One of the other cuts that is most notable is to the UPF, the uranium processing facility, at Y-12. This is a program that has been on target and on schedule and on budget for the last 7 years. The UPF is a signature capability that actually shows that we are committed to major capital construction projects. This facility will replace the old 92-12 at Y-12, which was built in the Manhattan Project days. So long gone are the days where we have just built facilities. Now what we are doing is we are completing a comprehensive conceptual design plan, and we
are moving forward. The cuts of $150 million --

Senator Fisher: Administrator, if I can interrupt you

a little bit to get another point in that I would like to

make. Critics of the fiscal year 2021 budget request for

NNSA -- they described it as, quote, trying to do far too

much too quickly. And they called for the reductions in

order to, in their words, give NNSA more breathing room.

But is it not true that consistently underfunding the

NNSA and delaying these programs -- that has created the

urgent situation that we now find ourselves in? And that is

now the need for significant resources that we are looking

at in this budget because underfunding the NNSA is not the

solution. It is the opposite I believe is what has caused

this problem in the first place.

Would you agree with that?

Ms. Gordon-Hagerty: I would. And even the GAO had

described that NNSA would encounter a bow wave of

requirements that would impact us in the not too distant

future, and in fact, that bow wave has hit us today.

Senator Fisher: Right.

And, Secretary Lord and Admiral Richard, how does the

Department of Defense view that risk associated with this

level of funding for NNSA?

Ms. Lord: I will say, Senator, that it is a very, very

significant risk, and it will begin in the next couple of
years. This is not a risk out late this decade or in the early ‘30s. Very significant.

Admiral Richard: And, ma’am, I would offer that it risks to de-synchronize the delivery system from the weapon, delaying both, making them cost more, and depriving me of capabilities I need.

Senator Fisher: And, Admiral, what do you hear from allies who are obviously following this discussion very closely?

Admiral Richard: It is our commitment to them is what requires these capabilities to be present. And so without these capabilities, that conversation gets much more difficult.

Senator Fisher: Thank you very much.

Thank you, Mr. Chairman.

Chairman Inhofe: Thank you, Senator Fisher.

Next would be by Webex Senator Hirono.

Senator Hirono: Thank you, Mr. Chairman.

I have a number of questions for Administrator Gordon-Hagerty. Administrator, you have previously noted that it was your, quote, intention to ensure that NNSA’s primary customer, the Department of Defense, receives the necessary support to execute its vitally important national security missions. End quote.

Would you say that you have achieved your intent?
Ms. Gordon-Hagerty: Senator Hirono, I would say that based on our fiscal year 2021 request, we will be in a place where we will be able to move forward in supporting the critical missions of the Department of Defense and providing them with the resources necessary to defend our nation and to maintain a nuclear deterrent that is second to none.

If, however, we do not receive the resources necessary in the 2021 and future budgets, we will not be able to commit those requirements -- be able to maintain those requirements and our commitments to the Department of Defense.

Senator Hirono: Admiral Richard, and Under Secretary Lord, do you agree that the Department of Energy is providing the necessary support provided that we provide the necessary funds to meet the needs of the Department of Defense?

Ms. Lord: Senator, we are currently working through a lot of details on the 2022 budget to understand that. In terms of the 2021 budget, that does need to be fully funded. If not, we will not meet the needs of DOD. Thank you.

Senator Hirono: Admiral, do you agree?

Admiral Richard: Ma’am, as a member of the Nuclear Weapons Council, I agree and concur with what Ms. Lord said.

Senator Hirono: Thank you.

Again, for the Administrator. The DOE is supporting
efforts to develop new nuclear reactor designs for our commercial use, but your fiscal year 2021 request includes a decrease in funding for defense nuclear and nonproliferation programs by 6.2 percent.

Administrator Gordon-Hagerty, how are you ensuring new nuclear materials technologies and expertise are prevented from becoming a proliferation concern?

Ms. Gordon-Hagerty: Actually, Senator, our budget for fiscal year 2021 request is in reality a 4.5 percent increase over the fiscal year 2020 appropriated funds. The difference, however, is the termination of the MOX facility. We did not need resources since we had terminated it in the last year and a half. So in fact, we are continuing on a very productive path for nonproliferation efforts throughout the Department of Energy/NNSA defense nuclear nonproliferation.

We are working very closely with the commercial side and the Office of Nuclear Energy in the Department of Energy about proliferation-resistant reactor technologies and other matters. So we are working very closely because we are committed to defense nuclear nonproliferation efforts and the technical expertise that is resident in DNN.

Senator Hirono: Can you just very briefly describe some of the specific efforts that NNSA has undertaken to address advanced reactor and fuel cycle technology in terms
of nonproliferation policy and technology?

Ms. Gordon-Hagerty: Yes. Again, we are working very closely with the Office of Nuclear Energy in the Department of Energy that works on advanced nuclear fuel cycles and the fuels that support them.

Insofar as the defense nuclear nonproliferation, we are working on proliferation-resistant technologies. We are also working other programs such as going from HEU, highly enriched uranium, to low-enriched uranium proliferation-resistant technologies, and we are supporting programs throughout the world in returning those materials or going from highly enriched uranium to low-enriched proliferation-resistant technologies for those reactors so that they can continue to operate safely and securely.

Senator Hirono: Madam Administrator, I think you can tell by my questions that I have concerns about nuclear proliferation, which is one of your missions to make sure that does not happen. NNSA’s nuclear nonproliferation mission is very important to prevent our adversaries from acquiring nuclear weapons or weapons usable materials technology and expertise.

What are the biggest challenges facing NNSA in preserving its long-term foundational nuclear nonproliferation capabilities, especially with respect to NNSA’s ability to counter emerging or over-the-horizon
proliferation risks?

Ms. Gordon-Hagerty: We are working with numerous friends and allies around the world and other countries to ensure that we can do what is possible and necessary to secure nuclear materials around the world and to stop potential adversaries becoming proliferant nations. We have a robust program where we work with over 100 countries around the world. We have removed thousands of kilograms of highly enriched uranium and separated plutonium from around the world through take-back programs and securing those facilities around the world as well.

Defense nuclear nonproliferation is one of our three signature missions in the NNSA. It has my full support. And we have got a great leadership team, and we again at NNSA are unique in our skill set and the technical expertise resident throughout NNSA to be able to carry out these functions worldwide.

Senator Hirono: Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Thank you.

Senator Cotton?

Senator Cotton: Thank you all for appearing today.

This is one of the most important hearings we do every year because there is nothing more fundamental to our nation’s security than our nuclear weapons.
Some people will say why do we spend so much money on weapons that we never use, to which I reply, one, we spend not much money on these weapons relative to our entire Department of Defense, but two, more fundamentally we use our nuclear weapons every single day and we have for 75 years to prevent the kind of horrific world wars we saw in the last century. That is why I said 3 years ago, Ms. Gordon-Hagerty, at your confirmation hearing, that you hold one of the most consequential if not the most prominent positions in our Federal Government.

I want to commend you on your leadership over these last few years. I think the NNSA has been focused and is beginning to recover from years of neglect before you took office, and that is due in large part to your efforts.

Could you give us a quick high level review of the tasks to which you committed in that hearing 3 years ago and where things stand now at NNSA?

Ms. Gordon-Hagerty: Senator Cotton, some of the priorities that I laid out at my confirmation hearing nearly 3 years ago were the following is to regenerate and recapitalize our plutonium pit production capability that, as I mentioned in my opening statement, was shuttered 30 years ago. That is simply untenable that we have no capability to produce the critical components for a nuclear explosive package throughout the nuclear security
enterprise. I committed to that. We are well on our way to producing the 10 war reserve pits in 2024, 20 in 2025, and 30 in 2026 at the Los Alamos National Laboratory. We have got a great team there. We are making great progress in plutonium pit production and recapitalization.

One of the other things I committed to was the Savannah River plutonium facility, and what we are doing is working so that we can attain a capability to produce not less than 50 pits per year in 2030. I recognized at that time and I recognize it today that recapitalizing a facility that was shuttered from the previous MOX facility and being able to produce a capability here in the United States to manufacture plutonium pits was our number one priority and it is my commitment today.

The second thing I committed to was reenergizing -- recruiting and retaining a world-class workforce. As I mentioned, more than 30 percent of our workforce is eligible for retirement in the next 5 years. That is simply untenable that if we are going to maintain a second-to-none nuclear deterrent, we need the best and brightest scientists, engineers, technicians, back office support to be able to conduct and execute our highly important missions. I am happy to say that we put together a corporate approach pretty much breaking the paradigm of the government bureaucracy hiring processes. And we committed
to hiring 7,000 people this last year, and we exceeded those numbers, and even amidst COVID, we have exceeded the numbers for our planned fiscal year 2020 hiring.

So those were some of the priorities that I promised and I committed to, and I think we are well on our way by the great men and women throughout the NNSA enterprise.

Senator Cotton: Thank you very much.

No amount of leadership, though, can modernize our nuclear weapons. For that you need money. There has been a lot of back and forth today about the budget request and how it came about. The bottom line is, though, you need this money. Our nation needs this money to maintain our nuclear deterrent.

$19.8 billion was the request for the upcoming fiscal year which starts in a couple weeks. Regrettably, we are going to pass a short-term spending bill, but when we do finally pass that full year spending bill, is $19.8 billion adequate in your opinion to modernize our nuclear weapons and perform NNSA’s other important missions?

Ms. Gordon-Hagerty: Yes, sir. If appropriated at the 2021 request, which is $19.8 billion, that will serve as the new floor for the NNSA enterprise. We are committed to supporting the four or possibly five modernization programs for the Department of Defense, committed to providing militarily effective nuclear propulsion for the United
States Navy, as well as our commitment to defense nuclear nonproliferation and arms control efforts. But that is assuming that we will receive that $19.8 billion. If we do not receive that, I cannot commit to you that we continue to remain aligned with the Department of Defense for their missions to execute our nuclear deterrent.

Senator Cotton: And what will be your request for fiscal year 2022?

Ms. Gordon-Hagerty: Sir, I am not at liberty to talk about the fiscal year 2022 --

Senator Cotton: I thought I might slip it by you.

[Laughter.]

Senator Cotton: I guess not.

I would note that a 2 percent increase, which is just the rate of inflation, would be $20.2 billion, though.

Ms. Lord, very briefly. You have sent a letter to the committee that says that the House’s legislation from the Energy and Water Appropriations Subcommittee would provide insufficient funds to execute the activities necessary for our nuclear weapons stockpile.

Could you explain briefly what the near-term impacts on the readiness would be if we adopted the House’s approach?

Ms. Lord: Yes, Senator. The nearest-term fallout from that would be a delay in the B61-12 in 2021 would be the first impact. We would also see an effect on the W80-4
warhead, and then if the W93 was zeroed out, we could not support the U.K. in the alignment of programs we have where we support them with non-nuclear as well as science and technology. The LRSO, very, very important to us because we have zero margin with ALCM timing out. That $170 million mark would be catastrophic, as well as ground-based strategic deterrent, our intercontinental ballistic missile replacing Minuteman III where again we have zero margin. That $60 million mark would not allow us to meet the time frame we need.

Senator Cotton: Thank you. Those are all dire consequences for the American people, not to mention our British allies.

Ms. Lord: Absolutely.

Senator Cotton: Thank you all.

Chairman Inhofe: Thank you.

Senator Blumenthal?

Senator Blumenthal: Thanks, Mr. Chairman.

And thank you all for being here today, and thank you for your service to our nation.

In February, I led a letter to the Secretary of Defense expressing frustration with the Navy budget proposal that included funding for only one Virginia class submarine. The public reports indicated that $1.6 billion in funding from the Virginia class program was diverted to the National
Nuclear Security Administration.

I agree with my colleagues that the funding for the NNSA is vital to our national defense, but the diversion of this $1.6 billion directly undermines our nuclear defense. The Secretary of the Navy was briefed on the connection between the Virginia class and the Columbia class program when he recently visited the EB Shipyard at Groton at Quonset Point, and I think he agreed -- and I certainly advocate strongly -- that actually the Virginia class program reduction to one submarine will negatively impact the Columbia program given that Virginia class work will develop the capability and capacity for Columbia class execution within the supplier class and our shipyards. So the two programs are connected.

The $1.6 billion was diverted from Virginia class reducing the cadence to one rather than two submarines a year. I know that my colleague, Senator Reed, has asked about the $8 billion that remained in the budget as carried-over funds. But I am interested in why that $1.6 billion in funding was diverted.

So, Ms. Gordon-Hagerty, if I may ask you, were you involved in the decision to divert money from the Virginia class program to NNSA? Did you specifically request it? And given that you had $8 billion left over, why did you need it?
Ms. Gordon-Hagerty: Senator Blumenthal, the $8 billion of carryover is for long lead construction for other programs. As I mentioned, we have 5-year programs that total more than $100 billion. So that is a prudent carryover mark.

With regard to the alleged transfer of resources from DOD to DOE/NNSA, no, I was not involved in those kinds of discussions. I was involved, however, in the internal deliberations in the Department of Energy to secure the resources necessary for the $19.8 billion request.

Senator Blumenthal: So you did not request the $1.6 billion.

Ms. Gordon-Hagerty: Sir, we requested the $19.8 billion, and internal deliberations in the executive branch asked us to recover that. So those were discussions throughout the entire executive branch, including OMB and DOD.

Senator Blumenthal: What was the $8 billion -- and I know Senator Reed has asked about this issue, but I want to dig into it a little bit more. What was the $8 billion obligated to do, obligated but unspent, as you put it? And why are we appropriating money in that way for projects that really should be funded on a yearly basis?

Ms. Gordon-Hagerty: Unlike the Department of Defense, we are funded on a yearly basis. So we have long lead
procurements and efforts to purchase large activities and large procurements. We also have long lead programs, construction programs, such as the uranium processing facility at Y-12. We need additional resources, and we also purchase types of projects, if you will, so project management. So if we are spending money, if we are executing a 3 to 5-year program and we are spending those resources, we will not be able to complete those necessary, critical missions to support the nuclear enterprise.

Senator Blumenthal: Well, I just want to point out that we are imperiling the Columbia class program, which is obviously vital to modernizing our nuclear triad by undercutting the Virginia class program and reducing the cadence to one submarine rather than the two in fiscal year 2021. So I do not know what the analogy would be, robbing Peter to pay Paul, but one way or the other, it is a risky strategy and I would urge all of you to support restoring the two submarine cadence.

Thank you, Mr. Chairman.

Chairman Inhofe: Senator Rounds?

Senator Rounds: Thank you, Mr. Chairman.

Let me begin by simply thanking the chairman and ranking member for having this very important meeting today and to be able to share with the American people the challenges that we have with regard to maintaining the
nuclear deterrent.

Let me begin -- let me also say thank you to all of you for your service to our country.

Secretary Lord, the chairman explained in his opening statement about how DOE had cut the NNSA and DOD out of the budget process in fiscal year 2021. We are talking about trying to improve a process for the future.

So let me just ask you. The process to finish the fiscal year 2022 budget is just weeks away. Can you give me some insight into how the process has gone in this current year?

Ms. Lord: Yes, Senator. In this current year, I think we have done a very good job of collaborating and sharing information. We are just at the beginning of that process, as I mentioned, in early September. We did obtain the numbers just yesterday. We had a Nuclear Weapons Council meeting --

Senator Rounds: You just got the -- you just received them yesterday? Is that in a timely fashion?

Ms. Lord: We received the numbers themselves in early September. We got a lot of the discussion around what they actually contain yesterday in a Nuclear Weapons Council meeting, and we are kicking off -- we did kick off yesterday a working group with members from NNSA, from DOD, as well as OMB to really do a deep dive into the details of that. We
will come back in about 4 weeks and talk about that at the Nuclear Weapons Council to make sure that the programs that DOD is putting in our budget are supported fully by NNSA. At this point, NNSA has been extremely forthcoming. So I have very high expectations that we have entered a new era here, given our planning guidance and the further details that we are memorializing in terms of how these action groups are to work.

Senator Rounds: Thank you.

You know, we have talked a number different weapon systems today, and sometimes I think it goes by and there are Americans right now at home that may very well have the opportunity to listen or to follow the discussions that we have had. I am not sure that all of the different weapon systems -- if we have ever taken the time to actually share just how critical they are and what they really mean to our nation’s defense. I think Senator Cotton shared very well the fact that what we are talking about today is the fact that for 75 years this nuclear deterrent has helped us to not be in a nuclear war because we have been able to make it very clear to our near-peer adversaries that we can protect ourselves and that we have capabilities to inflict great damage on them. And part of what we are trying to do here is to make sure that there is no misunderstanding anyplace in the world that we still have the nuclear deterrent
necessary to hold them at bay.

You spoke briefly about the B-61-12 and about the LRSO. Can you share with the American public and with this committee today -- it sounds like we are creating new weapon systems where, in essence, we are upgrading. Can you share a little bit with the American public today just exactly what that B-61-12 means to our country? We have ways of delivering but if we do not have that weapon system, then we are not finishing the plan. Can you share a little bit what just those two weapon systems -- how critical they are to the defense of our country?

Admiral Richard: Senator, it may be more appropriate for me to answer that question as I am the operator.

Senator Rounds: That would be fair.

Admiral Richard: What you are describing are two of the weapon systems that are used in the air leg of the triad. Right? Sometimes it is better to think of the attributes that each leg provides as opposed to the specific weapon system. It is interlocking. And what the air leg, in particular, provides -- it is the visible piece of the triad. It is the piece that we can use in times, steady state or crisis, to change and show, signal to a competitor to change their decision calculus and cause them not to do something. And so both of those go very directly to our ability to use that piece of the triad in the way it was
Senator Rounds: So the B-21, the newest proposed stealth bomber that will be based at Ellsworth Air Force Base and others, is one that would be able to carry this particular type of a weapon system. Is that correct?

Admiral Richard: Senator, that is correct.

Senator Rounds: So in other words, it is one thing to have the platform available. It is another thing to actually have a modern weapon system that could be delivered. It is a critical part of that part of our defense in the triad.

Admiral Richard: To meet the requirements that I have asked of the U.S. Air Force, you have to have both of those. They were put together with forethought. They are very complementary. It is the capabilities of LRSO that allow B-21 to be designed the way that it is and vice versa.

Senator Rounds: And let me go on. In all of the scenarios so far that we have had, we not only include B-21’s, we include B-52’s, 60-year-old B-52’s, as a part of our long-term plans. And yet, that is a non-stealth bomber. It also requires a weapon system which is upgraded and capable. Can you share how that connects with what we are talking about today with the LRSO?

Admiral Richard: So, Senator, one, I applaud your knowledge and detail on this subject. You are right. The
B-52’s not only are 60 years old today, but we are going to have to fly them until they are 100 years old. If I remember correctly, the last pilot of a B-52 had not been born yet. And so against the increased threat environment that we anticipate by the time that that weapon system completes what we are going to ask for it to do, LRSO is a necessary capability to keep that viable and to continue to allow me to have that stack of options and attributes to be able to offer to national leadership to accomplish the mission.

Senator Rounds: And just to make it clear, we are talking about the long range stand off weapon, one that can be delivered from outside of an area where they could actually get to our B-52 bombers since they can see them on a radar.

Admiral Richard: Senator, quite correct.

Senator Rounds: Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Yes. Thank you.

Senator Kaine?

Senator Kaine: Thank you, Mr. Chair.

And thank you to the witnesses. This has been helpful.

Administrator Gordon-Hagerty, I want to follow up on questions that Senator Blumenthal was asking, and this is probably both for you and Secretary Lord on this budgetary
matter and the funds from the second Virginia class sub
which, as you know, is constructed both in Connecticut and
Virginia.

And obviously, it sounds as if your testimony is you
were asking for a budgetary allocation to do the job at the
NNSA. You were not saying take it out of the Virginia class
sub. You were making a case for what you thought you
needed.

But when we see $1.8 billion taken out of the DOD
budget for the second Virginia class sub and then we see an
$8 billion unspent amount within the NNSA, it is sort of
like, well, wait. Why do we need to get rid of the second
Virginia class sub if there was that much that was unspent
funding at the end of fiscal year 2019? And you have
explained long-term contracts. I sort of get that concept.
But that does seem like a lot of unspent funding.

Do you know what your current projection is for the
amount of unspent funding as we get ready to close the
fiscal year 2020 budget?

Ms. Gordon-Hagerty: Not in terms of unspent. Again,
let me see if I can do a better job of explaining what
carryover is. Even though it is a big number, it is a
reasonable number because our 5-year planning profile is
over $100 billion. So in fact, GAO says that that is a
prudent management approach to take, to have this,
quote/unquote, carryover funding.

Senator Kaine: But does that mean the 5-year planning profile -- the total budget is about, you know, just breaking it down on average about $20 billion a year.

Ms. Gordon-Hagerty: Correct, sir.

Senator Kaine: I mean, $8 billion out of a $20 billion annual budget -- that seems like a lot of carryover. Again, I understand that you have maybe some longer-term contracts than others do. But do you know what you are projecting the unspent amount to be at the end of this fiscal year that concludes within a matter of 2 weeks?

Ms. Gordon-Hagerty: I can tell you that at least for -- I do not have the numbers for fiscal year 2020. But I can tell you confidently that the amounts that we had just for fiscal year 2019, as of right now, for unspent and unobligated, if you will, was a mere $384 million over a nearly $16 billion budget.

Senator Kaine: And that was not only unspent but you say unspent and unobligated. You had not decided how to program that money.

Ms. Gordon-Hagerty: That is right. If programs were executed ahead of schedule. But again, we are making commitments to the taxpayer about making sure that our funding is appropriately spent on the important missions carried out by NNSA.
Senator Kaine: Do you believe the unspent amount at the end of fiscal year 2020 will be in the basic same ballpark as the fiscal year 2019 number?

Ms. Gordon-Hagerty: I am confident that it will not exceed that. However, sir, I have to say --

Senator Kaine: It will exceed $8 billion.

Ms. Gordon-Hagerty: Well, in terms of the long-term programs that we administer, yes. So it is not a carryover where it is not obligated. It is obligated for programs for this 5-year spend plan of nominally $100 billion. We are, in fact, lower than most other agencies in terms of our uncosted carryovers. And I would be happy to provide you with those resources.

Senator Kaine: That would be helpful.

Admiral Richard, one of the debates that we had during the NDAA this year revolved around additional funding for nuclear testing. I am not on the Strategic Forces Subcommittee of SASC. But is there a deficiency in existing nuclear weapons testing that requires that we pursue a different course?

Admiral Richard: Senator, as you know, I am required to annually certify whether or not there is a need for testing, and the answer at this time, there is no condition -- nothing has changed. Right? There is no condition where I would recommend the need for nuclear testing.
But I would say, though, that it is important for the nation to maintain an ability to do a nuclear test should an issue arise in the future and have been formally documented in making that recommendation.

Senator Kaine: Another question, Admiral Richard. Thank you for that. Should we end up with a continuing resolution, as has been discussed, it is my understanding there is a request for an anomaly to allow the Secretary of the Navy to enter into a procurement for up to two Columbia class subs.

Do you have a sense of how tight the timeline is for production of the Columbia class and the retirement of the Ohio class boats? Are you concerned that the lack of an anomaly may threaten the current plan?

Admiral Richard: So, Senator, one, your question is better directed actually to the Navy who is directly responsible for that. I, of course, closely monitor the progress the Navy is making in the delivery of the Columbia system. I am pleased with the efforts that they are making. And I would support Navy’s request. They are doing a very good job of asking for what they need to deliver this capability.

Ms. Lord: If I may, Senator. Working very closely with the Navy on the Columbia, as I am the milestone decision authority on that, we have zero margin on the
Columbia, and I would strongly support an anomaly. We need to get the funding. We need to continue the work we are doing.

Senator Kaine: Great. Thanks to all the witnesses.

Thank you, Mr. Chair.

Chairman Inhofe: Thank you, Senator Kaine.

Senator Cramer?

Senator Cramer: Thank you, Mr. Chairman.

Thanks to all of you for your service and for being here.

You know, like the chairman, I serve both on the Armed Services Committee and the Environment and Public Works Committee, have jurisdiction over sort of all sides of this. Also like the chairman, I am all for you 1,000 percent.

Unlike the chairman, I am a freshman.

But I also have, as you know, in North Dakota, Admiral, two of the three legs of the triad. And I appreciate your being there so quickly after your confirmation. I have been to Minot. I was just thinking about it. In just recent months, I have been there with Secretary Esper. I have been there with the Vice President. I have been there with Secretary Brouillette. I mean, it is clear that this is a very high priority, modernization.

So with that backstop, I am very concerned about the GBSD. I continue to ask that question. Are we still on
track for GBSD? And I really appreciated your response earlier about modernization and about the rest that the vice chairman asked, Senator Reed. I like your attitude. I just want to be as confident as you are that we are on track, we will remain on track. And is there anything, whether it is the budget or the NDAA from either side, that would put that at jeopardy?

Admiral Richard: Senator, first, let me offer the responsibility for that lies with the Air Force. Right? And I think they have been very good about asking for what they need.

That said, I was just at Hill Air Force Base. I received a number of detailed briefings from the program manager for GBSD. I was impressed with the leadership forward thinking the way that they are approaching that program. And we are just at send that man ammo. If we give him stable, secure funding, I have confidence he is going to deliver for us.

Senator Cramer: Certainly if you wanted to answer that.

Ms. Lord: Yes. Thank you, Senator.

GBSD just went through milestone B, as I think you well know. I too have very recently been to Hill Air Force Base to meet with the team. It is an excellent team making great use of digital engineering. They are really at the
foreground of modern software engineering. They have very little margin in the program, but they are moving forward with Northrop Grumman very well.

The one issue we have and where we may very well need Congress’ support is in terms of the infrastructure in terms of command and control in the silos themselves. We do have a lot of money allocated through the MILCON methodology, and whereas we have 500 separate items that need to be updated, that would be rather onerous to have 500 different or so projects. We are looking at consolidating that to streamline it. So we are very, very interested to see what comes out of conference, but we would ask that we move some of that money out of MILCON to give us the flexibility on the program execution side to move forward along the timelines. As Admiral Richard said earlier, it is our job in Acquisition and Sustainment to not transition programmatic risk over to operational risk, and I am afraid if we do not move some of that money out of MILCON, that is exactly what we would be doing.

Senator Cramer: I am completely supportive, and I agree. We cannot have 500 different MILCON projects. That makes no sense. And every now and then, common sense can prevail if we work hard at it. So I appreciate that.

Speaking of that, I have to admit coming into this hearing I had some questions, and after listening to you
all, I have more. So we are going to have to get together. And I know I am trying to get together with each of you hopefully fairly soon because -- as much confusion as there is, however, over the NNSA/DOE/DOD budget process, particularly the Weapons Council budget process, it pales in comparison to the dysfunction of Congress’ appropriations process. So I am never discouraged. I know we can get this right.

I will just say this, and then I will wrap up and we will get together and answer specific questions later. But just the very words “semi-autonomous” cause me some concern. Do not get me wrong. I appreciate it and I understand it. But autonomy implies a lack of accountability. “Semi” provides an out. And I just want to make sure we have specificity.

And one of the questions that I am going to ask you guys is you reference early September often when asked the question about when did you get the NNSA budget. And you also, of course, know that there is a statutory deadline. I mean, was it early September or was it before the September 1st deadline in the law?

Ms. Lord: September 4.


So we have at least 4 or 5 more days that we can work on and get this down even better. And that is my goal. Let
us get it done. Let us get it right. Let us have both the type of semi-autonomy that is important, as well as the accountability that is important and the transparency that is important.

I am going to ask this, and then again, you can answer it later. I do want to explore a little bit the OMB position on some of these things. We have not talked a lot about it. You were asked, Ms. Gordon-Hagerty, sort of at the end of one of the questioning -- I do not remember whose question it was -- whether on this carryover issue, which you described and put the context I think in a good way that helps us better understand it. I still think there is some confusion about it. But you said that OMB supports your position. I have not seen that and maybe it is not necessary that I see that. It is not a change in policy. It is more of a practice, an ongoing practice. So I would be interested to know whether that really is their position.

And we have not talked about some of OMB’s objections relating to sort of the implication of separations and the separation between the executive and legislative branches as it relates to the budgeting process. So maybe later, when we sit down together, we can explore some of that a little bit more because like I said, the one area where OMB has weighed in pretty heavily on this is they do not want to see anybody imposing executive rights, and I do not disagree.
But I like it better when we are all communicating.

With that, I will just --

Ms. Gordon-Hagerty: Be happy to.

Chairman Inhofe: Thank you, Senator Cramer.

By Webex, Senator King.

Senator King: Thank you very much, Mr. Chairman. This is an important hearing, and it has already been very interesting. One of the interesting things I learned is that the B-22 is older than the Senator from South Dakota.

[Laughter.]

Senator King: So I think that is an important matter that has come before us today.

I think this is a very important hearing because deterrence, which has been the fundamental policy that has kept this country and the world safe from the use of nuclear weapons for 75 years, is based upon two elements: will and capacity. And this hearing today really is about both of those pieces. It is about rebuilding the capacity of the credible deterrent, but by providing this budget support, it demonstrates the will of the country. And that is why I think this hearing is so important and this budget is so important.

And I think it is also important for people to remember and realize that has already been testified, there is a great deal of money in here for nonproliferation. It is
sort of the twin goal of our entire nuclear policy.

    I do have one specific question, Admiral. It may be
out of your lane, but it certainly relates to this subject.
The New START treaty expires a couple of months into 2021.
Can you give us any information as to where we are on that?
Are there discussions ongoing? What are the nature -- are
we making progress? Is there the likelihood of an extension
or a renegotiation of that treaty?

    Admiral Richard: Senator, one, it is good to see you
again, sir.

    And second, to answer your question, it would be
Ambassador Billingslea and the team over at the Department
of State that could give you the authoritative answer to
that.

    What I want to add, though, is that that process is so
important to me and important to STRATCOM. As I have
tested before, I will support any arms control agreement
that enhances the security of this nation. I have dedicated
my deputy commander, Lieutenant General Bussiere, as a
member of Ambassador Billingslea’s team to ensure that he
has the best available operational uniformed military
support that I know how to provide to that process. Over.

    Senator King: Well, thank you for that. And I
appreciate your engagement on that point, and I think that
is very important.
And then finally, I do want to follow up as Senator Kaine and several others have asked about this carryover. I understand the justification, but if it is a carryover of that magnitude each year, then I would suggest that perhaps at least some portion of that money could be reallocated, for example, to that second Virginia class submarine. So I will look forward to seeing the written responses on that and talking with my colleagues about it.

But again, I want to thank you all for a very impressive hearing, incredible level of knowledge and detail, and you all are really doing a significant service to this country and I want to thank the three of you for your testimony today and most especially for your service.

Thank you, Mr. Chairman.

Chairman Inhofe: Thank you, Senator King.

Senator Heinrich?

Senator Heinrich: Thank you, Chairman.

Under Secretary Lord, it was almost 75 years ago in the Atomic Energy Act of 1946 that Congress ended the Manhattan Project and transferred stewardship of the nuclear stockpile from the Army to civilian control.

Do you see any compelling reason today to move the weapons program back to the Pentagon or should NNSA stay where it is today inside DOE?

Ms. Lord: As long as we have the status quo in terms
of our ability to work together, particularly with respect to working on budgets together, I think the system is very good.

Senator Heinrich: Do any of you disagree? Do you think the system right now is working? Admiral?

Admiral Richard: Senator, I absolutely concur.

Senator Heinrich: Administrator Gordon-Hagerty, I appreciate our recent phone call and all the work that you are doing, and I appreciate your explaining the Nuclear Weapons Council’s process to develop a requirements-based budget for NNSA.

The one thing that does concern me is that DOE’s environmental cleanup program is funded from the same budget account, but they do not have a seat at your table. Clearly, you know, we saw that with the fiscal year 2021 budget request for cleanup and how much cleanup suffered as a result, including almost a 50 percent cut in the request for cleanup at Los Alamos, something that I find just completely unacceptable.

So since environmental cleanup is uniquely a DOE responsibility, not a NNSA responsibility, how will the Department balance the budget priorities to ensure that we are meeting those obligations in the future and make sure that those priorities, as well as the priorities of maintaining the deterrent are met?
Ms. Gordon-Hagerty: Senator Heinrich, I know you have a robust conversation regularly with Secretary Brouillette, as well as we do. Secretary Brouillette is managing the budget for the entire Department of Energy. I advise him on NNSA requirements, and then he takes budget requests and program requests from the other under secretaries which then pretty much fill out the entire Department of Energy. I know he is fully focused and completely focused on environmental cleanup not only at Los Alamos but in other places around the United States, both Idaho and Hanford, Washington in particular. So he is focused on ensuring that we have the resources necessary to clean up the legacy facilities of the prior NNSA Atomic Energy Commission in DOE and the defense nuclear sites.

Senator Heinrich: So I will, obviously, continue this conversation with the Secretary as well, but I just think, given what we saw last year, that we have cause for concern here and it is something I am going to continue to raise and hopefully we will see better numbers this year.

Administrator, I am pleased to hear of your commitment to maintain the Mesa complex at Sandia Labs as the nation’s premier facility for trusted, rad hard microelectronics.

But let me ask you about the Z machine at Sandia, which continues to provide one of the critical pieces of our stockpile stewardship program by simulating pressures and
radiation environments that previously required actual underground testing.

Do you agree that pulsed power science is important to NNSA’s mission, and what do you see as the future role of pulsed power science for maintaining our strategic deterrent?

Ms. Gordon-Hagerty: Pulsed power science is, indeed, one of the attributes and contributions to our robust research development and testing program at NNSA.

The Z machine is an experimental workforce, for want of a better term. However, it is aging, and just like with many other legacy systems throughout the NNSA enterprise, time is of the essence to focus on how we will eventually be replacing that system. However, in the interim, we are finding ways of being able to maintain and upgrade that system. So, again, we wholeheartedly agree that pulsed power is in fact an important approach to informing us about the stockpile.

It also attracts the best and brightest future scientists and engineers that will work in NNSA because of the unique nature of pulsed power.

Senator Heinrich: Last quick thing. The new facility, the Albuquerque Complex project -- what are we looking at as an expected date for when NNSA staff will begin to occupy that structure?
Ms. Gordon-Hagerty: Well, I am happy to say, first of all, thank you again. A couple years ago, we broke ground together at that. I am also happy to say that I participated in the topping out event a couple of months ago, and just 3 or 4 weeks ago, I walked the facility for the third time.

So I am very excited about it. It continues despite COVID and the challenges we have. We have an outstanding relationship with the Corps of Engineers. We continue construction and we fully expect to occupy that in 2021 as planned, and that will house 1,200 of our finest NNSA employees in facilities that they have been living in, otherwise 1950s barracks which are completely unacceptable for our workforce. So this will be a state-of-the-art facility for 1,200 of our finest NNSA employees.

Senator Heinrich: I am looking forward to 2021. Thank you.

Ms. Gordon-Hagerty: Thank you.

Chairman Inhofe: Senator Hawley?

Senator Hawley: Thank you, Mr. Chairman.

Administrator and all of you, thank you for being here. Administrator, I want to start by saying thank you for your great work. You have done an excellent job in this role, and the people of Missouri I know are grateful.

I want to talk a little bit more about some of the
national security campus issues in Missouri.

But first, can I just ask you about some troubling news we recently learned? It appears, based on public reporting, that the Sandia National Laboratories may have violated federal law by sending employees to racially segregated diversity training at a resort no less that encouraged some of the crudest gender and racial stereotyping imaginable. And may I add it was paid for apparently with taxpayer money?

I asked for an inquiry and a full accounting of the monies that have been spent on this. The Secretary of Energy, I was very pleased to see, directed a full investigation.

Can I have your commitment that you will fully support the investigation into these trainings, the federal taxpayer funds expended, the locations of these trainings, and the entire affair?

Ms. Gordon-Hagerty: Yes, sir, you may.

NNSA welcomes the opportunity for a diverse workforce and inclusive environment for all of our employees, but what has been portrayed in the media is very disheartening and very distressing to me. And if it is accurate, it is not appropriate for our workforce. You have my word that NNSA will fully commit to and support the Secretary’s initiative to do the thorough review on diversity inclusion and
inequity training.

Senator Hawley: Very good. Thank you for that.

Let us talk about the Kansas City National Security Campus, which of course is in my home State of Missouri. It is doing extraordinary work manufacturing the non-nuclear components of the NNSA warhead program.

Can you just elaborate on how cuts to the NNSA’s budget request proposed by the House would affect that work at KC NSC?

Ms. Gordon-Hagerty: Senator Hawley, the non-nuclear components are all produced at Kansas City National Security Campus, as you rightfully stated.

The cuts would have a devastating effect because the non-nuclear components are critical to every one of our life extension programs, every one of our ongoing systems to support the Department of Defense. So that would have considerable impact, and it would also delay the deliveries to the Department of Defense. So, yes, they would be profound if we saw the cuts that are proposed in the hewed mark.

Senator Hawley: Let me just follow up on that last point you just made about how the proposed cuts might affect the ability to meet production requirements in coming years.

You are saying that those would be adversely affected, to put it mildly.
Ms. Gordon-Hagerty: Every single one of our systems would be adversely affected.

Senator Hawley: Very good. Thank you for that, and thank you for your continued support for that outstanding work that is done there at KC NSC.

Admiral, can I just shift to you for a second? You said earlier this week I think that China’s nuclear force structure is -- and I am quoting you now -- increasingly inconsistent with a stated “no first use” policy. How would the cuts to the NNSA’s budget request proposed by the House impact our ability to maintain deterrence as China grows its nuclear forces?

Admiral Richard: So, Senator, that is accurate in terms of what I said. I think it is worth reminding you and the committee we are on a trajectory to go to a place that the nation has never been before where we will face two peer nuclear-capable adversaries that have to be deterred differently. That is what fundamentally starts to set the requirements for the capabilities that I need. These cuts would jeopardize those capabilities right at the moment of greatest need later in the decade.

Senator Hawley: Thank you for that. Thank you for your clarity on this issue. And I just want to say for my part as I see it, I think there is every reason to believe that China will use its nuclear forces to advance its
imperial agenda, which is really what it is, including in the region. And we need to prepare for that possibility, and fully funding the NNSA is I think vital.

Admiral, finally if I could, how would it impact our deterrent if nuclear weapons infrastructure could consistently provide updated capabilities on timelines similar to the W76-2?

Admiral Richard: Senator, thank you for mentioning the W76-2. I think it is an example that shows we can move fast. Right? We still know how to do this. And so that is an example of where the threat changed. New capability was needed. We provided it on an operationally responsive timeline and closed a potential hole in our deterrence strategy. We should be able to do that more. That is a type of hedging strategy that enables you to react inside what somebody is attempting to do, and that capability -- I acknowledge some of the other stuff would be more complicated than a W76-2, but that enhances deterrence by our nation’s ability to do that.

Senator Hawley: Very good. Thank you, Admiral. Thank you all for being here.

Thank you, Mr. Chairman.

Chairman Inhofe: Senator Manchin?

Senator Manchin: Mr. Chairman, thank you.

My question was along the same lines as what Senator
Heinrich had spoke to you about. And I was concerned because the 1946 Congress established the Atomic Energy Commission as a civilian controlled agency tasked with managing U.S. nuclear weapons. And this as done to set a clear separation of control of our nuclear weapons program between the military and the civilians. And I think we all agreed. I think you all have answered that pretty much what you think and what you feel how we are going. And it is working and you do not see the need to change, but you need to see the transparency. And I believe, Secretary Hagerty, you spoke to that and you believe that we are moving in the right direction and you are able to get things on track. And I felt good about that.

My question would have been do you agree the Secretary of Energy must maintain clear control and accountability for the Department of Energy National Nuclear Security Administration’s budget?

Ms. Gordon-Hagerty: Yes.

Ms. Lord: Yes. I believe things are working well.

Senator Manchin: Admiral Richard?

Admiral Richard: I am very satisfied from my position in terms of the way the NWC is working in coordination between the two Departments.

Senator Manchin: Good.

And Secretary Hagerty, do you believe the NNSA has
fixed the issues that will be able to meet the DOD requirements to field an effective nuclear deterrent over the next several decades?

Ms. Gordon-Hagerty: Sir, with the appropriate funding, sustained and appropriate funding, I believe we will. I am confident in that.

Senator Manchin: Secretary Lord, as chair of the Nuclear Weapons Council, it is your job to ensure the alignment of the NNSA weapons DOD delivery systems. In a recent letter to the leadership of both congressional defense committees, Secretary of Defense Esper outlined his disagreement with section 1644 of the House NDAA. That section would create a cabinet secretary co-chair structure for the NWC and it seems to me would certainly increase disparity in needed communication between DOD and DOE Secretaries. However, I know the NWC has been effectively carrying out its duties since ’86 and as a military liaison committee before then.

So which is it? Is the NWC so ineffective that we need to elevate its business to the cabinet secretary level? Or do we need to let the NWC keep its current authority?

Ms. Lord: We need to let the NWC keep its current authority. And I will say that from a Department of Defense perspective, we give in-depth briefings to Secretary Esper and his key staff quarterly and that I believe he is very
well informed and obviously signs off on all key decisions. However, I believe you need the depth of understanding that the NWC chair brings in terms of programmatics and the specifics of each of these programs, as well as the specificity in terms of understanding that the Administrator of the NNSA has.

Senator Manchin: And to follow up, how does maintain the authority of both DOD and DOE while increasing the coordination of these crucial agencies?

Ms. Lord: I think having hearings such as these is very helpful so that everyone has the same fact base to deal with and understands exactly our monthly cadence of meetings and how we exchange information.

Senator Manchin: Thank you all very much. Thank you for your service too.

Thank you, Mr. Chairman.

Chairman Inhofe: Thank you, Senator Manchin.

Senator Shaheen, who got here just in time.

Senator Shaheen: I did. Thank you, Mr. Chairman.

Chairman Inhofe: Just be advised that after your remarks and questions, if other members are not here, we will conclude this meeting.

Senator Shaheen?

Senator Shaheen: Well, thank you. I was not here because I was at a hearing in the Foreign Relations
Committee on China and the threat that China poses in the future.

And so I guess I would like to start, Admiral Richard, with you because earlier this week, you indicated that over the next decade China will expand and diversify its nuclear forces, likely at least doubling its nuclear warhead stockpiles.

Can you elaborate more on those efforts and the challenge that presents to the United States?

Admiral Richard: Senator, one, that is accurate. That is not only the position of USSTRATCOM, but other portions of the executive branch have come to the same conclusion.

But I would offer that simply I think it is a mistake to consider China some sort of lesser included case relative to Russia. We just used a number of weapons estimate. I think it is important to remember China will not tell us how many they have. They do not have a level of transparency that either us or Russia has right now.

But that is a relatively crude way to describe what a nation is capable of doing. You have to look at much more than that. What are the delivery systems? What are their capabilities? What are their command and control? What is their readiness? In China, they will not even tell you their doctrine. You have to add all of that up.

The trajectories that I see their nuclear on is
concerning to me. We have seen what they have done on the conventional side of the house. And as I just said, we are on a path by the end of the decade, if not sooner, to face two peer nuclear-capable adversaries who have to be deterred differently. We have never faced that challenge before in our nation’s history.

Senator Shaheen: Well, thank you. That lays out the challenge quite dramatically and I think speaks to the importance of agreements like the New START treaty.

Back in February, I asked you about how STRATCOM uses the information that is gained from new START. Can you talk about how important you think that is to give us insights into what the Russians are doing? And I am going to ask the other panelists also if you could speak to that because what we know about current negotiations and why it might be important to extend that treaty.

Admiral Richard: Senator, we have talked about this in the past. With additional time at STRATCOM, it is reinforced to me that the transparency that we achieve out of the New START treaty is something that is of value to both sides. It adds to security of both participants in the treaty.

The actual progress? I would refer you to Ambassador Billingslea, as I just mentioned previously. That process is so important to me that I have dedicated my deputy
commander, Lieutenant General Bussiere, to the team to make that expertise available to Ambassador Billingslea so that I am supporting that to the best level I know how.

Senator Shaheen: And, Secretary Gordon-Hagerty, can you also speak to what information we get that benefits our national security from participation in New START?

Ms. Gordon-Hagerty: Senator Shaheen, in fact, we play a vitally important role in NNSA. In fact, as Ambassador Billingslea and his team are negotiating with their Russian counterparts, we play a vitally important role, so important that just last week I hosted Ambassador Billingslea and the entire New START team of negotiators at several NNSA national security laboratories, plants, and sites so they could see firsthand the important role that NNSA plays should a New START agreement be extended, recalling that the New START agreement currently only covers strategic arms.

What we would envision and Ambassador Billingslea and the State Department and the President of the United States is looking at is a treaty with Russia that will cover all warheads. In that, of course, NNSA plays a central role in that.

Senator Shaheen: Yes. I understood that that was the hope of the administration. Can either you or Admiral Richard give us any insights into how those negotiations are going, and if we cannot get an agreement that includes those
other weapons, that includes China, is there a benefit to extending New START and allowing us to continue to have insights on verification into what Russia is doing while we have more time to negotiate?

Ms. Gordon-Hagerty: What I can say is that I know that Ambassador Billingslea and his team have provided with Russia framework for how the future negotiations will continue and what the proposed treaty would look like and improvements in the treaty. I believe they are waiting for a Russian response. I would defer to Ambassador Billingslea and the State Department for further details on that.

Senator Shaheen: Admiral Richard, can you speak to whether you think there is a benefit, if we cannot get everything we want, to going ahead and extending New START to allow us to continue to have that verification insight while we are able to work to still negotiate an expansion of what New START covers?

Admiral Richard: So, ma’am, as I have said before, there are a number of things that the New START treaty provides that enhance my ability to go do my job. You just named one of those. But there are some additional things that also need to be considered. And I look forward to the Department of State finding us a path that enables us to achieve all of that.

And I would particularly like to highlight what Ms.
Gordon-Hagerty said. Those attributes that she mentioned would be very beneficial to my ability to accomplish my mission and to this nation’s security.

Senator Shaheen: Thank you very much.

I am out of time, but let me just also say for Ms. Lord, thank you very much for what you continue to do to try and ensure that we have a defense industrial base at the end of this pandemic and to supporting particularly our small businesses who are very important to that industrial base.

Ms. Lord: Thank you, Senator.

Senator Shaheen: Thank you, Mr. Chairman.

Chairman Inhofe: Thank you.

And by Webex, Senator Jones.

Senator Jones: Thank you so much, Mr. Chairman. Thank you.

Secretary Gordon-Hagerty, thank you for your service. Thank you for being here. Secretary Lord, thank you also for being here. And I want to echo what Senator Shaheen said about your work to help us get through this pandemic with everything intact. I really very much appreciate that.

I do want to extend a special welcome to my fellow Alabamian, Admiral Richard. Thank you for your service. Thank you for being here. Thank you on behalf of all Alabamians for that service, but especially the thousands of men and women in uniform in Alabama today, whether active or
in the guard, and the some 300,000 veterans that we have. They send a special warm welcome and thank you for your service. I really -- and we all do -- very much appreciate it.

I just have one question, Admiral Richard, because Senator Shaheen really went through the questions that I had with regard to the New START treaty.

Admiral Richard, I would like to ask as STRATCOM Commander, what do you see as the most significant areas of risk to successfully transitioning from the Minuteman III to the GBSD system. And what are we doing and how can we help you mitigate those risks?

Admiral Richard: Senator, those risks come up in two dimensions. Right? One is in the time dimension. It is in the actual transition from the old system to the new system to continue to provide me the attributes that the intercontinental ballistic missile leg provides. The Air Force could give you the specifics. I would offer I am impressed with the way that program is executing and that stable, predictable funding is the biggest single thing under our control to address that.

But the other piece that I would invite our attention to is it is the simultaneity of the transitions that are occurring. Right? The transition you just described occurs simultaneously with the transition over on the submarine
side and just after a transition on the bomber side. So it is important to hold all of these things on schedule because we only have so much capacity, and if we de-synchronize how we are doing these, we run the risk of the aggregate being unexecutable as opposed to any individual line. Over.

Senator Jones: Thank you, Admiral. I really appreciate it.

And thank you, Mr. Chairman. I am going to yield the balance of my time. Thank you.

Chairman Inhofe: First of all, let me thank our witnesses. It just has been very enlightening. We are very fortunate to have you three at the helm of the most important thing that is going on in the world today. And we thank you very much for the time that you spent and the honesty and the straightforward witnessing that you shared with us. Thank you very much.

We are adjourned.

[Whereupon, at 11:42 a.m., the hearing was adjourned.]