

Transcript of Opening Statement
Member of The President's Foreign Intelligence Advisory Board
Joint Hearing of the Senate Governmental Affairs; Select Intelligence;
Energy and Natural Resources; and Armed Services Committees
Subject: Security Issues At Energy Department Nuclear Weapons Labs
June 22, 1999

... It is truly an honor to have been asked to appear here today, and I thank you. I know there is really not enough time to discuss all the issues that are raised in a report such as ours. But I'd like to make a few introductory comments that will take about 10 minutes, and give you a brief synopsis of the PFIAB report, then move straight on to questions and answers.

Let me say first that we had one major objective. There was nothing more important for America's long-term national security interests than security of nuclear secrets. And that security has been atrocious for a long time. Report after report has been tossed upon the shelf to gather dust. So our objective was to write a report that would stick—that would actually make a substantial difference in the way that security at these labs is handled.

I had our staff sit down and add up the number of reports that have found problems with security at DOE for the past 20 years. The numbers are astounding: 29 reports from the General Accounting Office, 61 internal DOE reports, and more than a dozen reports from special task forces and ad hoc panels. Altogether that's more than 100 reports or an average of five critical reports a year for the past two decades. And here we are, 20 years down the road, still battling with the same issues.

I think you would agree with me that that is totally unacceptable. But even more unacceptable to our panel would be adding this report to that list of more than 100 reports.

We wanted to cut through the fog of the bureaucratic jargon and wishy-washy language that has worked to protect the status quo over these many years. So our objective was to take the major security issues, one by one, address them factually, directly, forcefully. I think we did that.

I want to commend my colleagues ... three extraordinarily distinguished and experienced people, several known to you, on this panel: Dr. Sidney Drell, one of the country's foremost nuclear physicists; Anne Caracristi, former deputy director, in fact the first woman to be deputy director of the National Security Agency, and Stephen Friedman, who has done a great deal of intelligence work for this country since leaving his post as co-chairman with Secretary Rubin of Goldman Sachs.

This was, for many of us, virtually a full-time job for the last eight weeks. This was not an easy report to put together. But they and the staff and the adjunct staff, loaned to me by various Executive Branch agencies, put in the hours to get it right, to make sure it was rock-solid, to make sure the facts before you are unimpeachable. And I want to thank them publicly for that.

I also think President Clinton deserves a great deal of credit. I say this as a Republican. We had some very tough words for the administration in this report. They are before you. But he agreed to release it to the public, something that has never been done before in the entire 45-year history of the PFIAB. And he agreed to put this issue on the table. And I must say that when we briefed him

last Monday, he was very appreciative of the work that we had done, recognized the seriousness of the issue, and recognized the importance of getting something done.

There's an old saying amongst New Hampshire and I expect Maine farmers—and you've heard it I'm sure all over the country—and that is that “if it ain't broke, don't fix it.” Well, I have a corollary, and it's simply this. “It may be broken so badly that you can't fix it—you ought to replace it.”

This report finds that the Department of Energy is badly broken, and it's long past time for half-measures and patchwork solutions. It's time to fundamentally restructure the management of the nuclear weapons labs and establish a system that holds people accountable. That's what it comes down to.

Senator Levin said it very well in his opening statement: It's not just about security. If you've been ever to these labs—and most of you have—you'll agree they've put up one hell of a fence. It's not about counterintelligence. It's about whether we are going to have a system of management that holds each and every person responsible for the security of these labs.

No President or no secretary of energy or no committee chairman can guarantee that the laws on the books are going to provide absolute security. But when management of these labs is on our watch, we can and we should demand absolute accountability. So that's what this report has proposed: reasonable alternatives that we think will help the leadership impress the seriousness of this responsibility on the people within the organization.

Let me add parenthetically that we do not claim that our proposals are perfect. We think the Congress must look at these proposals in conjunction with the Secretary of Energy and management experts and find ways if they can be improved to so improve them. But we gave the Congress two alternatives which I'm sure you've seen have you read our report.

Let me say a word about what we've found. We found that these labs are not only the crown jewels of the United States scientific establishment—they are the crown jewels of the world scientific establishment. We visited several of the labs and I can tell you that their work is truly phenomenal. And I want to be clear that nothing we say in this report is intended as criticism of the scientific research and development at the laboratories. Nor do we want to do anything to undermine their effectiveness. We want to improve their security, their counterintelligence, and the accountability that allows them to continue to do their job.

We found that maintaining security and strong counterintelligence at the weapons labs, even under ideal circumstances, is challenging. Part of the difficulty comes from the inherent character of the work at the weapons labs. First, it's an international enterprise. Second, it requires collaboration across bureaucratic lines. It involves public and private cooperation amid a culture of academic freedom and scientific research.

The inherent problems have been made worse over the years, because the weapons labs have been incorporated within a huge bureaucracy that has not made security a priority until very recently. The department has been distracted by other national imperatives, such as the clean-up of radioactive waste and DOE's role in the national drive for clean and efficient energy. And those priorities are well important.

We found evidence and heard testimony that was appalling in six critical areas: security and counterintelligence management and planning, physical security, personnel security, information security, nuclear materials accounting and foreign visitors.

There has been report after report after report of serious security failings. Here are a few examples. Now, back in law school, they talk about the weight of the evidence. I'm not sure this is what they had in mind, but it's pretty heavy.

- 1986: DOE management of safeguards and security needs to be improved. Done by the DOE.
- 1988: Major weaknesses in foreign visitor programs at the weapons labs. Done by the GAO.
- 1993: Done by the DOE. Lack of accountability for implementing security requirements.
- 1996: Defense Nuclear Facility Safety Board, impediments to resolving problems are a result of a lack of understanding, experience, and personal involvement by upper echelons of DoE management.
- 1997: Office of Security Affairs in the DoE, fragmented and dysfunctional security management system in place at DoE.
- 1999: DoE's bureaucratic complexity is so great that it can conceal otherwise obvious and easily detected administrative flaws. The variety of relationships that exist between field offices, headquarters and contractors will continue as a root cause for complexity, confusion and lack of efficient and effective performance.
- The Chiles Report, mandated by the Congress, 1999, a thorough revamping to institute streamlined, efficient management would send a strong signal throughout the complex that DoE takes its weapons program seriously and is not willing to tolerate less than the best approach in its management.
- And finally, 1999, GAO, in the final analysis, security problems reflect a lack of accountability.

Now, there are 68 more, but I thought that would give you a flavor. We found recent cases of foreign scientists visiting labs without proper background checks or monitoring. Classified computer systems and networks with innumerable vulnerabilities. Top level bureaucrats who could not tell us to whom they were accountable, which I found remarkable. Instances where secure areas were left unsecured for years. And finally, thousands of employees be granted security clearances without good and sufficient reason.

In the middle of all of this, as you know, there were confirmed cases of espionage, and the true damage of these we may never know. As you can see from the chart, it shows how long it took to fix even some of the very basic security problems. Some of the evidence that we found simply boggles the mind.

There's a chart [in the report] called "How long does it take?" It was meant to introduce a bit of humor into the report, but you either laugh or you cry when you read that box contained within the report that you have in front of you.

I mean, how can it be it took less than three years for this country to construct the first atomic bomb at Los Alamos, but it took four years for someone to fix a lock on a door protecting nuclear secrets? I mean, it's just, it's pathetic.

There is not a person in this room—and I would add there's probably not a person at DoE—who, when confronted with that kind of a record would say it's tolerable. It's not. It's intolerable. In fact, it's a disgrace to this country.

If that is the case, then why have these things been allowed to go on and on after years? There's got to be an explanation. DoE has had so many overlapping and competing lines of authority that people are rarely held accountable for failure. I expect under Secretary Richardson that's going to change. But in the past we haven't found too much evidence of it.

Just to give you an example, I want you to look at a chart that I brought. And I'd like you to look at the poster on the right. Now, with all due respect to current reorganizations, that's the most recent chart we could find, the one on the right, when we started this investigation. Obviously, the Secretary is making some major changes, but that is the accountability that existed until very recently. There was no accountability. If anyone in this room can make sense out of that structure, you ought to be a brain surgeon, not a member of Congress. There is no way to figure out who is accountable to whom on that particular chart.

Several Secretaries have tried some type of reform at one time or another. And there were attempts to try to improve management effectiveness and accountability. But within the confines of the DoE bureaucracy, the problem is that the DoE bureaucrats and lab employees who wish to have been able to wait-out the reform initiatives and never (inaudible) reform.

Because of the overwhelming weight of damning evidence of security failures and the profound responsibility that comes with the stewardship of nuclear weapons technology, it's time to fundamentally restructure, in some way, the lines of authority so that the weapons labs and their security are in fact job number one, within a substantially, in our view, semi-autonomous agency. Even in the current uproar over the Cox Committee Report and related events, PFIAB found as late as last week business as usual at some level at the labs.

For example, there has been, in spite of the Secretary's best efforts, incomplete implementation of certain computer security measures, and we believe foot-dragging on implementation of a good polygraph program. You need only read some of the press reports of yesterday in response to the Secretary's efforts.

If the current scandal plus the best efforts of Bill Richardson are not enough, only a fundamental and lasting restructuring will be sufficient. I would agree, it is up to the Congress to decide what that restructuring is. It should be done carefully, and it should be a measured approach.

We believe the Congress and the President have an opportunity to do what none of their predecessors have done—step up to the plate, make lasting reform by fundamentally restructuring

this part of DoE. We offer two alternatives, on semi-autonomous—and let me simply say to those who have problems with semi-autonomous agencies, they were not invented by the PFIAB.

I would suggest you talk to the Secretary of Defense about NSA, the National Security Agency, or about DDARPA, the Defense Department's Advanced Research Project Agency—extraordinarily good agencies within a department but with a lot of autonomy, but reporting directly to the Secretary of Defense.

Or, for those of you who are familiar with NOAA, it is an independent agency within the Department of Commerce. It reports to the Secretary of Commerce, and it's worked, and it's worked well over a long period of time.

If you want to look at a good independent agency, I would give you NASA, but we believe that for reasons, to some extent Senator Bingaman mentioned, we believe that it should be within DoE, but semi- autonomous, because of the important linkage of science. And I would commend to Senator Bingaman when he reads our report to see that we have linked science very much to this organization and we think it is of extraordinary importance.

I want to add something, which I was asked to add, which I believe is very important to the Department of the Navy and to our Nuclear Propulsion Program. We call for the integration of the DoE Office of Naval Reactors into the new Agency for Nuclear Stewardship. We recommend this because we believe that the ANS should be the repository for all the Defense-related activities of the DoE. However, we believe the Office of Naval Reactors must retain its current structure and legal authority under which its director is a dual-hatted official, both a four-star Admiral and a part of DoE. And I believe the Secretary would, I'm sure, agree with that.

Someone asked me if it was merely a coincidence that the PFIAB's panel recommendations for a semi-autonomous agency were similar to those proposed by some in Congress. Foremost, I will state unequivocally and for the record, there was no collaboration with the Congress on our findings or our recommendations.

Second, I would remind people that we did not endorse a single solution—we sketched two alternatives.

Finally, none of the conclusions that we reached, or alternatives that we considered, frankly, are new. You will find many of them in these previous reports. After looking at the hundred or so of these critical reports—and I'm sure the members of Congress who get the Kyl-Domenici legislation looked at the same things—my conclusion is that the reason you reach similar conclusions was a matter of destiny, not coincidence. You were destined to reach this conclusion, looking at the same evidence.

In 1976, federal officials studied the operation of the weapons labs and considered three possible solutions: placing the labs under the Department of Defense, making them a free-standing agency, or leaving them within the Energy, Research and Development Administration. They opted for the status quo.

In 1979, an internal management audit at DoE found that its top management was poorly organized, its planning was spotty, and its steel structure was not integrated into headquarters staff.

When asked who was in charge of the field offices, the then-Secretary of Energy at the time said you would have to consult an organizational chart. So did we. One employee said the DoE was about as well organized as the Titanic in the eleventh hour.

This is from current employees who came and unburdened themselves as to the problems they've had within the agency. In fact, the best information we've got came from employees of the agency. I would highly recommend to you—although I know it's impossible—you get so much more at closed hearings than you do at open hearings. Obviously, the Senate can't do that, except for the Intelligence Committee, but the frankness with which some of these employees spoke to us, and it's all documented, was startling. It was startling.

In 1985, the Reagan Administration appointed a blue-ribbon panel to study this. Congress and federal officials waited. Some people said give it to the Department of Defense. Other said leave it where it is. Status quo prevailed.

In 1995, the former chairman of Motorola issued the Galvin Report. Here's what he said, "It's hard to reach any other conclusion than that the current system of governance of these laboratories is broken and should be replaced with a bold alternative." That report recommended an alternative structure that achieves greater independence. But, the status quo prevailed.

Finally, in 1997, the Congress, the Armed Services Committee authorized, the Appropriation Committee paid for, this IDA report, which I imagine some of you may have seen, it's a terrific piece of work, done by a very respected agency. It was ignored, by everybody—Republicans, Democrats, Congress, DoE, everybody.

Every time a president or Energy Secretary or Congress have run up against these bureaucrats, the bureaucrats have won. They are fully aware of that fact, and if you let them, they'll win again.

That comes from arrogance. That's the type of arrogance that I'm sure the Secretary abhors, but it does enable bureaucrats in that agency to ignore direct orders from their highest authority in the Executive Branch, the president of the United States.

When PDD 61 was issued, long before Secretary Richardson arrived there, the answer was not, "Yes sir," or even "Yes." It was, "Maybe." And we've got to (inaudible) that, become participants in the discussions. I've yet to meet a General who believed he could win a war with soldiers who won't obey orders and are not punished for failure to do their duty.

Let me say a few words about the Secretary. I have a very high regard for Secretary Richardson. I think he has been working very hard to carry out his duty. I would like to commend the Secretary for bringing both Ed Curran and General Habinger in to address the problems at the labs. They have impeccable credentials. They have no-nonsense approaches to their jobs, and they will get things done. But as good as Ed Curran and General Habinger are, they cannot make up for the culture of arrogance, the pervasive disregard for security and counterintelligence, and the lack of accountability in this department.

The problem is, Mr. Chairman and members of this committee, is that my good friend the Secretary will probably be gone from DoE in about 18 months. And it's not clear to anyone whether or not his successor will allow these two outstanding public servants to remain indefinitely. In fact, if

you want to look at history, you will assume that everybody will be replaced at the upper levels. Maybe not this time.

Most of the events that precipitated this uproar occurred before Secretary Richardson arrived. Because he has been at the tip of the sword, so to speak, I would say it's fair to say he's been sensitized to these security problems and he's worked very hard to solve them.

But one thing is certain, the next secretary will have different priorities and be pulled in different directions by other emergencies. That's the way government works. Secretary Watkins, for example, had excellent credentials on security issues. But when he became Energy Secretary, he was besieged by the public outcry over the handling of environmental issues. Congress as well diverted its attention and addressed these issues, and rightly so.

Unfortunately, the reality of it, and I can speak from someone who sat where you sit now, is that the entire body politic of this country lately has become a lot like a fire department. You respond to the latest emergency.

... Had the New York Times not broken this story all over the front page, I daresay you would not be here, I would not be here, and this report never would have been written. That's a sad commentary on how we oversee some of the nation's critical problems. I don't say it critically; I say it as a matter of my own opinion.

Finally, I hope that you in this Congress, the President, the Secretary can work together. The PFIAB has no interest in this other than as individual citizens. We will help, but we have no constituency or authority. If we can contribute to a solution, we would like to.

Nothing about this is politically easy. There are jobs at stake in our plan. It's hard for people that have so much vested in the existing system to admit that it doesn't work. Witness the letter that Senator Kerrey spoke of this morning. But I do hope that the Congress and the president can reach an accord.

This is a matter of tremendous gravity for our national security. I can think everyone will agree this is not a partisan issue in any way, shape or manner. I believe that solving the security and counterintelligence problems within DOE will ultimately help the department to better address its many other important missions. Again, I am honored that you would ask me to come up here and testify. Thank you very much.