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Senate Armed Services Committee, Strategic Forces Subcommittee Testimony

By General Kevin P. Chilton | Washington, D.C. | March 12, 2008

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Senate Armed Services Subcommittee on Strategic Forces Holds Hearing on Fiscal Year 2009 Budget for Strategic Forces Programs

BILL NELSON:

Good morning. Thank you all for being here. Today we are starting out with the first of two panels, and we are privileged to have General Chilton, the commander of Strategic Command, with us. General, we will put your written statement in the record.

CHILTON:

Thank you, Senator.

BILL NELSON:

Senator Sessions and my written statement will be in the record so that we can get right into questions, and I want to give the courtesy of turning that opportunity over to Senator Sessions for his questioning. I'm going to have to step out of the room for just a minute and will be back in, but. . . Senator Sessions?

SESSIONS:

Thank you, Mr. Chairman, and thank you for your leadership and commitment to the subject of our subcommittee, and it's an important subcommittee.

And General Chilton, thank you for being here. We value your leadership.

Senator Inhofe, I know you have another committee at this very moment. I don't know if you would like to go first, or -- I'll be pleased to yield to you if that would be convenient with your schedule.

INHOFE:

Here's the observation I want to make, and I wanted to do it when the chairman was here. We actually have two hearings going on at the same time now -- Readiness and this -- and I was kind of looking forward to hearing the opening statement of General Chilton.

And it might be that -- what I'd like to do is get an opinion from General Chilton on my famous chart that I refer to all the time -- the chart on the three phases here: your boost phase, your midcourse phase, and the terminal phase -- and kind of get, in your opinion and your thoughts, where we are on each one. And this is one of the major areas of misunderstanding by the American people.

And I can remember people introducing amendments on the floor of the Senate that we never did consider, but they were there, saying, "Well, we don't need to have redundancy in midcourse," for example, and, "We don't need to be putting money into a kinetic energy booster," when in fact, on the boost segment, we're pretty much naked right now. We don't have anything that's out there working.

So I'd just kind of like to have you give us a little update on where you think of what our timing is, and what is really important is coming along in these three phases of progress.

CHILTON:

Senator, I'm happy to discuss that. And I'll caveat my comments first by saying that of course Missile Defense Agency are the technical experts in this area, but as a war-fighter, when I look at missile defense at large, I do look at it in those three phases that you describe for the following reasons -- and again I'll tell you, I'm a little colored by my youth.

My father worked, actually, on the ABM system way back in the early '70s; and I remember him telling me as a young man, he said, "Son, the best way to get these things is in the boost phase," he says, "because that's when they're hot, thrust is coming out, you can see them," he says, "but it's a challenge, because you've got to get a little closer. And the hard part is when -- the later you get into the flight. " And that wisdom of my father has not changed.

Boost phase -- you've got the rocket coming off the pad, it's a limited, you know, two to three to four minute time period where it's very visible and trackable and discernable, and it's very vulnerable. The key there is to be able to bring effects to bear against it -- ordinance to bear against it -- and there's the issues of being close enough and having a weapon that can do that. It's an area that we are probably least mature in -- I'd say we are as you look at what's deployed today -- but an area we want to continue to work very strongly, because every war-fighter will demand that.

The midcourse phase is -- we're talking about when the rocket quits and before the reentry vehicle enters the atmosphere; so it's actually in Space as it's transiting Space at this phase. It's another time when, if you can get at the threat early in that phase, that's desirable. It's also, obviously, desirable to develop field technologies to interdict in this phase.

The ground-based missile defense system that we have deployed in Alaska and in California addresses this. Envisioned improvements to the sea-based system will take us to add another weapons system that can address this phase. And it's an equally important phase.

What gets hard in this phase is, you go from tracking a really hot booster to a very cold reentry vehicle up in Space. And so different sensors are needed and it's a more challenging -- it's a different challenge, but one that we've worked through pretty successfully with our deployed systems. Probably our most mature, if you think about how long we've had them deployed, is the terminal phase, and now you're talking about -- as the reentry vehicle starts coming down through the atmosphere into the local area. And you know, we started that back in 1991 in Desert Storm with the improvements to the Patriot system; and we've advanced those with PAC-3. And that is kind of your last effort -- last opportunity -- to do it. The terminal systems are not particularly capable against -- if at all -- against intercontinental-range missiles, but they are capable against -- more capable -- against theater-based short-range to medium-range missiles.

So when you look at the threat in total, whether it be you're concerned about defending the United States of America from an intercontinental attack or a region -- forces deployed in a region from a short or medium-range attack -- I think the approach that we're taking, of the layered approach, of trying to address the vulnerabilities of these systems, then boost, midcourse, and terminal is the right approach to take.

INHOFE:

Yes. Well, I think the greatest deficiency, and to work with right now, is the boost phase.

CHILTON:

It's the most challenging, for sure, Senator.

INHOFE:

Mr. Sessions and I have been around long enough to remember when this all started, and fighting the battle that's been a continuous fight, particularly through the '90s. We even had one veto of a defense authorization bill in 1996; the reason was that we don't need to be moving as fast as we're moving on this whole system. You know, if you're going to get into the cyber thing, this might be a good time to do it, because I was fascinated by his discussion there.

BILL NELSON:

You all go ahead and continue your questions.

SESSIONS:

Senator Inhofe has another committee at the same time, but. . .

BILL NELSON:

Sure.

SESSIONS:

... why don't we follow up a little for the record on the discussion we had about cyber security, and I would just note that World War II -- decisive events occurred when we were able to break the Japanese and German codes and have information that was critical to the war, and saved lives and assisted us dramatically. We're so committed as a nation to computer systems, unifying (ph) that future combat system for the Army, our Air Force and Navy systems are all computerized.

And first, to what extent is maintaining security of those systems your responsibility, General Chilton, and can you tell us whether or not you have a plan in place that you're moving forward with that will provide us confidence in security of this system? And if you haven't gotten it, how close are you get getting it?

CHILTON:

Thank you, Senator. You're exactly right: there's good analogies to the World War II time period and to now and the future when we think about how we protect that critical information to our military operations.

And when I think about where we are in computers, I just think about -- put it in perspective, we've transitioned from the ways we used to transmit and store information, which was in file drawers and paper and through, maybe, radio frequency communications, to this network that we're involved with now where we store information on and transmit information.

With regard to...

SESSIONS:

Can I ask a question on that?

CHILTON:

Sure.

SESSIONS:

Would one difference in today and in World War II be that in World War II you had to intercept the message while it was being sent, which is a very short period of time, but today so many of these messages are permanently recorded, if you could penetrate this system, you could recall those messages years before.

CHILTON:

That's a great point, Senator. What we're seeing today in the taking of information from networks, or storage devices on the network, is akin to what I would say espionage. So in your analogy, in the old days you would have to go and break into those files with a flashlight and your teeth and a camera, or take them away; now you can do that from the comfort of your desk and your access to a computer system to go into, or attempt to go into, stored information on the network. And so, we have to be very cognizant of that vulnerability.

What the STRATCOM has been chartered to do is -- with regard to the network -- is to operate and defend the DOD portion of the network -- the Department of Defense portion -- which is referred to, you'll hear it referred to as the GIG, the Global Information Grid. That's another coined phrase to talk about the set of addresses that end in "dot-mil" for military, or "dot-s-mil" for classified military.

What we're not chartered to defend, and I think this is important to understand, is the "dot-gov," so probably the domain that you operate in frequently on the Hill, or any other agency within the government; the "dot-edu," which our science and university systems exchange a lot of information on, and we actually go out and get information on from -- whether it be Google or whatever search engine; or the "dot-com" networks that a lot of our financial systems or other systems throughout the infrastructure of the country rely on for their operations. STRATCOM is not chartered to defend those.

SESSIONS:

Who defends those?

CHILTON:

The Department of Homeland Security is chartered to do that, and the president's initiative that was just signed out in his recent NSPD is the kickoff, really, of a large effort to go off and address that. I see STRATCOM's role in this area, since we have been working...

SESSIONS:

Are you responsible for the services -- Army, Air Force, Navy, Marines?

CHILTON:

We are responsible for the network, and they use that network: dot-mil and dot-s-mil. And so we have set up a construct under the Joint Task Force for Global Network Operations, under the command of General Croom, who reports to me, to operate that military network and to promulgate orders to bring unity of command and effort to make sure we're configuring it using the right defensive systems -- the right procedures -- to protect that DOD portion of the network.

But it's not just enough to build defenses, in my mind. You have to -- because no defense will ever be impenetrable. I think as we think about defending this vital domain, we have to go from the high end of technology investments all the way down to the lowest end, which is your newest recruit coming in who's going to get on an use that system, whether he be a soldier, sailor, airman or marine; and to make sure that individual knows that the way he behaves and utilizes his computer or her computer on his desk can affect the entire system.

He can create vulnerabilities by not following the correct procedures. He can also be a defender, even though he may be a maintenance officer working on airplanes or an enlisted person working in administration; he can be part of a network of people who are watching out for people misusing or abusing that network.

And so when I think about our responsibilities, I think about it from a very low to a very high end continuum. And I'm very encouraged by the seriousness which the services are taking with regard to this issue and the attention they're bringing to it, to address it across the spectrum.

SESSIONS:

There was an article recently indicating that our networks are increasingly under attack. Can you, in this open forum, share some of the things that...

CHILTON:

Yes, Senator. And I would characterize them not "under attack" as much as being exploited. And when I say that I kind of go back to what I talked about earlier from an espionage

perspective. There are individuals or entities coming into the networks and downloading vast quantities of information.

Now that doesn't impede the way we work day in and day out, but it's a collection of unclassified information that, if you put those pieces together, you can maybe discern certain things about the way we operate or uncover certain vulnerabilities in the way we might operate. And you're doing that without having to actually train someone to infiltrate the United States of America and get access to files in the file cabinet...

SESSIONS:

You could do that from a foreign nation?

CHILTON:

You could. And so that, to me, is different than an attack. I think what we saw in Estonia, previously, was more of an attack, where there was an effort by an unknown entity or group of people to come in and actually slow down the network and the responsiveness of the Estonian network; and that was more of an attack rather than espionage. But you have to worry about both. We have to be worried about both.

SESSIONS:

Well, General Chilton, I don't think this would break the defense budget. I think it is very important. My personal view is that you should have the money and the personnel needed to do this job, and the team (ph) of things it would be a small investment that could be exceedingly important us. Because there's just no doubt, if adversaries have figured out a way to penetrate our systems, that is a -- the cost would be far greater than we would have to expend to make them more secure...

CHILTON:

Senator, if I could -- I would agree with you, Senator, but I would add also that it's not just operating -- it's not just defending. We've got to make sure we have the focus on operating, because I'm convinced after the Estonia incident that we'll never build the perfect defense. We will be attacked in time of war, and we need skilled people who understand and that can train to continue to operate that system -- make it fight even though it's under attack -- just like we do in every other domain. We don't shut down our airfield operations just because we're under attack; we keep working through it, and we have the right equipment, et cetera, to do that.

So we need to be thinking about that, but we also need to be thinking about offense through this domain. The new triad talks about having strike capabilities that include kinetic nuclear, kinetic non-nuclear, and non-kinetic. And this is the perfect domain to conduct non-kinetic attack in the event of war in the future, and to have those capabilities.

This is the area, I would say, where we are least mature or robust in manpower and expertise and focus. And we at STRATCOM right now are doing studies with the services and with our partners at NSA, who are a big part of this program in bringing capabilities, to understand exactly what we need as we go forward in this century. And I expect that when we come in the '10 budget, the '10 pom (ph) will have laid out those requirements and started to see the investments in the offensive part of this domain, which is equally important, in my view, to defense, if for no other reason, we've always looked at having offense as part of any good defense in any domain.

SESSIONS:

That's well-said.

Mr. Chairman, I'll be glad to turn back to you. I have a few more questions, but I'll be glad to follow up.

BILL NELSON:

Well, as a courtesy to the senator from Nebraska, I've got a stack of questions. Rather than hold you up, I've flipped it to our colleague from Alabama. Be mindful that we've got to finish the first panel in thirty minutes, and I've got a stack of questions. So, the other Senator Nelson is recognized.

BEN NELSON:

Thank you, Mr. Chairman. And I'll be mindful of the time requirements.

Thank you, General Chilton. We are very pleased that you're at the helm for Strategic Command. With all the elements that are required to be on both offense and defense, we believe that you're well-positioned to do it; we want to make certain that you have all the financial tools and other tools necessary to be able to do that.

As we think about Cold War legacy, we recognize that -- and you've indicated this before -- that we can't just maintain that deterrent that we've enjoyed in the past indefinitely, by extensions and by life-extension programs. At what point in time, in your opinion, do we reach a tip-over where we just are only trying to extend the life of that deterrence? And then number two, what is your sense of the importance of the Reliable Replacement Warhead as a key component of both land-based and sea-based deterrence, respectively?

CHILTON:

Thank you, Senator, for that question. And I want to begin by thanking the chairman for some advice he gave me as I was leading up to confirmation hearings.

And Senator Nelson, I think you'll remember an office call where you asked me some questions and used some acronyms that I confessed ignorance to, and you commended that I go out and immerse myself in the nuclear enterprise early in my command; and I have done that, sir. And I've learned a lot.

BILL NELSON:

Well, there's the expert right over there, and...

CHILTON:

I know. And I've gotten to know Dr. Augustine (ph) very well. But I have done that, Senator, and I've formed some views and also some concerns; and your first questions would be one of my concerns that I've come to appreciate better.

Every year STRATCOM is required to certify the reliability, safety, and security of our current nuclear stockpile, and every year that stockpile gets older. We do this on one-year increments, and the program put in place -- the Stockpile Security Program, Surveillance Program -- has been a tremendous thing for the United States of America. It's identified issues with our old weapons early enough for us to start working on them, and that has lead to the life-extension programs that we're seeing, particularly in the W-76, right now.

What I can't get comfortable with is, you know there's an edge out there that you're creeping toward with regard to these weapons, because they weren't designed to be 15 to 20-year life weapons. And because of the way we made them and our whole architecture that was in place in the Cold War, which was based on, "If you've got a problem, test or make a new one." And when you had an infrastructure that could produce thousands a year, that was a reasonable way to approach it.

Now we don't want to test, and we don't have an infrastructure that can really produce anything. And so that makes me nervous, as we go forward, about any problems that might develop in the current old inventory.

And I try to pin down the scientists, but they will not be pinned down because they are very objective about this, rightfully so. So I liken it to approaching a cliff, and I don't know how far away from that cliff I am, and that gives me discomfort with regard to continuing a strategy of life-extension.

I think there's an economic side of that too, that I'm probably not the best to speak to, but I liken it to trying to maintain your 40-year-old automobile -- vanishing vendors, parts and technology supplies change; and not only that, these 40-year-old automobiles were not designed to be maintained. They were designed to be replaced at about 15, 20-year intervals. That gives me pause as you go down a life-extension approach.

That said, I think we need to answer these critical questions and address them. I'm for a modern -- as we look to the future, I support a modernization of the weapons that we put on top of these delivery platforms, which I think we've done a very good job -- the services have done -- in modernizing and sustaining. But they do us no good if we don't have a warhead on top of them to provide the deterrent for the future.

I believe that deterrent will still be required in the 21st century. I believe we need a modern weapon that's designed with 21st century requirements, as opposed to 20th century Cold War requirements, that can meet those requirements -- the future requirements.

And that's where my -- those are some of the conclusions that I've drawn on that. I'd be happy to go further, Senator.

BEN NELSON:

If we look at the FY '09 funding as it is at the moment, do you think it's sufficient to complete the Phase 2A study, and is it possible to get us some idea of what the cost might be in order to do that, particularly if this budget's not sufficient to do that, because I agree with Senator Sessions that we want to make certain you have the tools that are necessary to carry out the responsibilities for deterrence.

CHILTON:

Senator, the funds to do the Phase 2A study are on Dr. D'Agostino's portfolio. At the risk -- I don't want to speak for him, and I think it's great he'll be on the second panel and can perhaps address them more specifically.

What I can tell you, in the 2008 submission there was an estimate in the order of around \$60 million to \$80 million, as my memory refreshes me, to complete that study. And I think that is still a valid number required to -- somewhere near the high 60s, high 70s million dollars, and he can give you the exact number -- that's needed to finish the study.

And what's important about doing that study is it's not a decision to go down the path; it will inform a decision for the next administration, next year.

And my concern as a war-fighter, as I look at the enterprise in general -- and across the needs to the future -- it's just clear to me that this is a problem that's been brewing for a while, and now is the time to address it.

Now is the time to answer the questions so that we can come to a decision in the next administration, preferably early, and move out, both to guarantee our security posture for the future, but to make sure we're heading down the correct business path for the country to achieving that.

BEN NELSON:

Well, whether it's the airplane life extension or whether it's the life extension of the weapons, there is a point -- there has to be a point -- where it's no longer either economically feasible to do it, nor is it possible to get that extension indefinitely. So that's why I think it's extremely important that we know what it's going to take, and some idea of what kinetic nuclear and kinetic non-nuclear warheads are going to be required as replacement, over some period of time, of what we currently have.

CHILTON:

I couldn't agree more, Senator. That you for that question.

BEN NELSON:

As probably a lot of people know but not everybody, that western Nebraska hosts the balance of the missile fields of the 90th Space Wing, the Mighty Ninety, and last year the Air Force was directed to extend the life of its intercontinental ballistic missile fleet from 2020 to 2030. And I'm assuming, based on what you've said, that we've been able to modernize and keep the lift instrument in a modern state of preparation. Is that fair?

CHILTON:

Senator, there's two parts to that. One is the security of those systems, and the other is their capability to launch. And I kind of bring a bias to this, I'll admit to you, because my job was to make sure both of those were adequately supported, in my last job. But I think the record will show that the Air Force has made substantial investments in improving the security of the launch facilities and the training of the forces that protect those facilities, and I think they're moving in the correct direction there.

With regard to the life extension of the Minuteman III: The big issue last year was not having enough test resources to be able to certify its readiness to the 2030 time period, and that was addressed in the funding and supported.

We knew at the time, though, that since the rest of the infrastructure was kind of set for a 2018, 2020 comfort level, that there would probably be additional investment required in some areas; and this would be in support equipment, like transporters that move the missiles to and from the field, or when you have to pull one out for maintenance -- various test equipment in the back shops that maybe in the past if you said, "I only have to get to 2018; I don't need to put any more money into these, but now if I'm going to go to 2030, there'll be some level of modernization or refreshment, or at least sustainability for another 10 years that's required."

So I anticipate that the Air Force will take a real hard look at that to make sure that they're crossed the t's and dotted the i's in their investments to be able to get out 2030 across the spectrum. And that's important to do.

BEN NELSON:

Thank you very much, Mr. Chairman.

Thank you, General.

CHILTON:

Thank you, Senator.

BILL NELSON:

Share with the committee what you think is the most significant management issue and the programmatic issue that you're concerned about.

CHILTON:
With regard to all the programs across the...

BILL NELSON:
Strategic Command, yes.

CHILTON:
Strategic Command? Well, I have two that come to mind, Senator, if I might say two. One would be the -- and it's not quite a program yet, but I've already referred to it -- and this is the modernization effort for our warheads. I think the investments need to be made to answer the tough questions now.
For an established program, the TSAT program, I would say, comes to mind, Senator. And where we are on that program and this submission is -- taken the Air Force is going off and restudying the program with responses to be provided in the April time period, as far as the way ahead for that program.
And as the combatant commander, I hesitate to champion any one particular system. My charter, I think, is to talk to capability. So Senator, what I'd like to address is my capability concerns here that I've felt that particular program was addressing. And now I ask: So how do we get there from here? Beyond the...

BILL NELSON:
Well, let me just ask you right there...

CHILTON:
Sure.

BILL NELSON:
Since it looks like it's going to be delayed to 2018, what are the options?

CHILTON:
I share that same question with the Air Force, Senator. Here's what I'm worried about: One is, our nuclear command and control relies on a survivable and secure connection that runs through the satellite constellation belt in the EHF radio frequency spectrum. We get that today through Milstar; it will be replaced by the Advanced EHF satellite system, and in the last design construct, the TSAT system. That would be one element of the TSAT system that would continue -- that of capability.
This capability is one that I would lump with GPS, I'd lump with weather, I'd lump with intelligence gathered from Space, as a capability we've just become used to; and we just don't envision ever having to tolerate a gap in these capabilities. We wouldn't want to plan for it, that's for sure.
So the risk in that EHF connection was always on the back end, because we were only getting three AEHF satellites, and you really needed four. What was the fourth? And TSAT was the vision. The acquisition of a fourth AEHF kind of addresses that back end concern, but only sort of, and here's where I have my concern.
We're still going to launch the very first one in '08, or calendar year '08, by the schedule early fiscal year '09. It only lasts so long, so you've got to be looking long- range for out in the 2018 time period, the 2020 time period there, on how you're going to continue this connection. And I haven't seen the complete story on how you're going to do that for that capability. Now, that's a STRATCOM parochial perspective.
The second area where I'm chartered to look across all COCOM needs would be the ever-increasing bandwidth demand that we see coming down the road, whether it be for our increased investment in fielding systems like the Global Hawk, full-motion video systems like Predator, et cetera, envisioned Space architectures that will demand higher bandwidth -- systems like the Army FCS system that demands higher bandwidth. And in that regard, it's not so much an uninterrupted capability that I worry about; it's a step up in capability that seems to be on the horizon to be demanded.
And so, probably like you, I await anxiously for the Air Force's report back in April to see what they're going to do with the remainder of the money in the program -- how they're going to reconstruct that to address these capability issues that I'm concerned about.

BILL NELSON:
Well, they delayed the program between '08 and '09, and I'd like to know, for the committee, were you consulted when \$3.6 billion was removed from the program in the '09 budget request?

CHILTON:
Senator, as far as the '08 reduction and time schedule, I was part of that, and so I was very aware of that in the development of it; and at the time -- and I believe I testified to this -- I was comfortable with a 2016 initial launch date because it classically takes about a year and a half year (ph) to check out the first satellite on orbit year (ph), and I like that extra year of pad to support what we envisioned as a 2018 meet (ph) date if you didn't have an AEHF 4, which was not in the program then.
And so, I was comfortable with that. Now we have an AEHF 4, and the question is, how long does AEHF 1 last? Are we comfortable with that? And when does the fifth element, whether it's TSAT or something else, come on board? Is 2018 the right time period? 2020? And that's the decision-space we're in.
With regard to the reduction in the program that was taken when it was, I was not consulted when that decision was made.

BILL NELSON:
I think that's significant. Senator Sessions?

SESSIONS:
Thank you.
On the TSAT, my understanding of the concept was that we needed to transition to a more capable satellite, and that the fourth -- the TSAT would replace the fourth and put us on the road of increased capabilities. And that's sort of the leap-ahead technology that President Bush talked about and others have, so the sooner you can do this, the better, but if we can't get there we need to know that. How do you see that possibility of occurring now?

CHILTON:
Well, Senator, I...

SESSIONS:
Have we given up? I mean, we basically made a decision not to go with the fourth?

CHILTON:
Sir, I've heard no one say that, with regard to giving up, in any conversation I've had; and I've had multiple conversations...

SESSIONS:
Giving up in terms of...

CHILTON:
Going to the next level at some point.

SESSIONS:
Going to the -- at some point -- but didn't we originally plan to do it with the fourth satellite?

CHILTON:
That was going to be the beginning of the next level, because really to get there you have to add more than just the one new satellite. Most every constellation we have requires three to four to complete the global-natured capability of this.
That first satellite was primarily -- it's schedule was being driven by the first need that I said STRATCOM has, which was to make sure we could sustain that command and control network that I needed in STRATCOM for our nuclear command and control mission. But it was also the first step up in capability to a new approach to moving information around...

SESSIONS:
Is that slipped? I mean, I know we've been discussing that. Have we slipped that -- is it still possible that we can bring TSAT on -- I mean, I guess what I'm saying is, if you're going to launch a satellite -- AEHF I guess is what we call it -- but a TSAT instead of that, then you've begun the new system and (inaudible) capability instead of bringing up a fourth older satellite system, and are we slipping that?

CHILTON:
Yes. What the Air Force is going to answer for us in April is what the schedule -- actual schedule impacts and capability impacts. And I'm not sure which way they're going to go, if they're going to reduce the delivery time of the capabilities or whatever. They're going to have to make some decisions, though, because of the reduction.
But when you think about it, AEHF is a tremendous step up from where we are today. I mean, it's a 10-fold increase, so don't get me wrong on why it's important for that program. I'm excited about AEHF coming up and the increased bandwidth that'll provide the war-fighter.
TSAT, though, is a whole different approach, and I use the analogy, you know, from the old Laugh-In days when Lily Tomlin was sitting there plugging in telephone calls; that's kind of the way our satellites work today. You have to have dedicated switching between the two people that are communicating.
And the promise of TSAT was it would take us to the way our Internet works today, where you don't have to dial up somebody, you can just message and it will get to them through the network system. And if you want to get information from the system, you don't have to have a specific phone

number, you can search and find a menu of opportunities and put that information down.
That's the vision of TSAT as we move into that new technology in Space that we really enjoy today in the terrestrial in our networks on the ground today. And again, I'd reiterate, I've heard no one in the services say we want to step back from moving to that step. And my concern is as I've described them.

SESSIONS:

Let me follow up on your study that you -- on the Reliable Nuclear Warhead and Reliable Replacement Warhead. We need to make a decision about that. I think you are correct, that now's the time to do so, and we're not prepared to make it because we don't have enough information and we haven't studied the issue sufficiently. Is that correct?

CHILTON:

I think that's fair, Senator. I think what the RRW 2A proposed to study was to answer questions to tee us up for a decision.

SESSIONS:

Now, you just indicated it would take \$60 million to \$80 million to complete that study. That's the best estimate we have?

CHILTON:

And I would defer to the exact number to the next panel, but my understanding is around \$66 million to do that -- to complete that study.

SESSIONS:

Well our difficulty, Senator Nelson, in the present budget is only \$10 million request, and we've got -- I know some members in the House are not supportive, and that may have had some impact on the budget request they made. But I just think this is, in the scheme of things, a real important decision, and we might as well do it now and not put it off; and if the report comes back and says RRW's not the best way to go, so be it, but to continue to muddle on with, you know, life cycle improvements or trying to keep these systems going is worse in the meantime.

That's just something I think we're going to have to confront. Are we going to put the money up and make this decision, or are we going to let it go without the kind of analysis that ought to be given to it?

On the Reliable Replacement Warhead, you know, we're drawing down nuclear weapons now. According to our Moscow Treaty that we signed, and we should dramatically reduce -- we'll dramatically reduce the numbers to what -- 1,700 to 2,200...

CHILTON:

That's correct, Senator.

SESSIONS:

... warheads, and there are fewer types of warheads in our inventory -- in the stockpile. And all of these warheads will also have exceeded their designed lifetimes, and some have aged to multiples of their designed lifetimes. So now you have -- do you do the certification of the warhead?

CHILTON:

There's a group that does report to me, and then I certify the reliability, safety, and security of the stockpile.

SESSIONS:

So it's the fact that concerns over the age of these warheads. Now we're having a lot fewer of them, so if a defect appears, we've got a problem. We don't have, at this time, an ongoing system to build any warheads. We may be the only nuclear power country in the world that does not have an ongoing manufacturing system. Is that correct?

CHILTON:

I'll take that for the record, Senator, but your assessment of our -- I would not call what we have today any kind of a manufacturing capability. We have a laboratory-type environment that can produce at best, eight, in my understanding, a year. And so I don't consider that a -- it's certainly not robust, and I don't consider that a manufacturing capability.

SESSIONS:

So it's all of these factors that lead you to believe it's time for us to do a study and make a decision about the future?

CHILTON:

That's correct, Senator.

SESSIONS:

These and other factors that you've mentioned.

CHILTON:

That is correct, Senator.

SESSIONS:

Have you personally, and -- have you reviewed this as command of STRATCOM, and do you favor moving to an RRW based on what you know today?

CHILTON:

Senator, based on what I've learned over the last several months, and my look at this, I won't pick a design here. But I'll tell you as a combatant commander and someone who's chartered to provide a nuclear deterrent for this nation, in the future, I would say, we need a modernized nuclear warhead that has high reliability, safety, and security features that are improved over what we currently have, and maintainability of design, which we absolutely do not have in the basic design today. Those would be my capability requirements for our warheads.

In the safety and security area, they are safe and secure today by 20th century standards; but I think we are responsible to look forward, and a lot has changed since 2001 with regard to threats to these weapons from terrorist-type organizations that didn't exist before. The reliability issue is important because, as I stated earlier, these weapons were designed in a time period where the concept of refreshing them was based on, you would refresh them about every 20 years, you could produce thousands in a year, and you could test if you had a question. And so reliability was pretty low on the design criteria for these weapons, as compared to where it needs to be today, which is right up at the top if you don't want to test.

And then the maintainability issue I've said also, I think they were not designed to be maintained and as we look to the future, both from an economic standpoint and from a standpoint of being able to make sure we can continue to preserve the capability, we need to put that in the design criteria right up front.

SESSIONS:

Well, I thank you for that, and just to mention one question -- and our time is running short, I know we need to get to the second panel. Some notable strategic experts such as former

Secretary of Defense William Perry and former Secretary of State Ian Rickissger (ph) have written an article calling for the United States to set nuclear disarmament as a goal.

Perry and others believe that the goal of nuclear disarmament accords the United States a high moral ground for its nonproliferation initiatives. On the other hand, such a goal makes it more difficult for the United States to achieve a national consensus on nuclear weapons policy because compromise is unattainable between those who support and reject that goal.

How would you assess the strategic implications of a world in which the United States does not possess nuclear weapons?

CHILTON:

Senator, first, I do not consider those to be diametrically opposed positions. As a father, and someday hopefully a grandfather, I would of course envision -- and love to envision -- a world someday free of nuclear weapons; but I also envision, and desire to envision, a world that is free for my children and grandchildren to grow up in -- a country that is free to do that.

Unilateral disarmament will not preserve that in a world where other countries possess nuclear weapons, particularly in quantities enough that could destroy our way of life if they should decide to use them against us.

SESSIONS:

But if a country had a few nuclear weapons and was -- let's say they new we considered them a rogue state -- and we were to abandon our nuclear weapons, would it not be in their interest to seek to achieve checkmate potential by expanding their production of nuclear weapons?

CHILTON:

Well, I think that's good logic. I think the possession of nuclear weapons by other countries demands the United States have a nuclear deterrent. I would like to see that day when there aren't any, but I don't envision that, personally, from a practical sense, in the next -- in the remainder of this century, personally.

And given that position, and given the, I think, very important mission that this command has been given to preserve our strategic deterrence for the preservation of this country, I think it is time for us to make the hard decisions and the investments to answer the questions of: How are we going to posture ourselves for this century while at the same time working to achieve that other goal? And I don't think that it's an either/or.

I think we need to dream and work toward the day with other countries, hand in hand, not unilaterally, to achieve that vision someday; but at the same time, we cannot let our guard down so long as there are threats on this country.

SESSIONS:

You've got to go. This made me recall the late William Buckley. I think on firing (ph) in line with Norman Cousins of the National Saturday Review -- he was editor. I think of that at the time -- and Cousins waxed eloquent on the need to reach out and be peaceful and create a world in which a war

was early, thinking of that at the time -- and someone asked questions on the need to reach out and to protect and create a zone in which a war didn't take place. And Buckley listened patiently and concluded, saying, "Well Norman, I'm glad you're working for those goals and I'm very supportive, but I hope you won't mind if I take care to preserve and protect the security of the United States while you're working all this out." And I think it's fine for people to talk about ideas, but I want to see if it's going to work before I buy into it. And I think perhaps we've over-interpreted, perhaps, what Secretary Perry (ph) -- they were saying, and I don't think they expected us to act in any reckless way, but we need to confront these issues, deal with them effectively, make our plans for the future. I can't imagine it would result in elimination of warheads, although we are drawing down the number dramatically; and if we're going to maintain warheads, should there be a newer, safer, more reliable warhead or can we continue the whole stockpile? Those are the questions we need to be making now, I think -- answers we need to be...

CHILTON:
Thank you, Senator.

BILL NELSON:
General, let me pose a series of questions to you, and let's get them on the record, and then we'll get on to the second panel. General Cartwright had said when he was the strategic commander, "It's very important to me is the expansion of the system beyond the long-range intercontinental ballistic missiles to start to address those that hold at threat our forward-deployed forces, our allies, and our friends. Those are more in the short and medium-range ballistic missiles -- things that Patriot, Standard Missile-2 and 3 will be able to address, and THAD, as it comes on." Do you agree?

CHILTON:
I do, Senator, and I would say that I'm much encouraged by the block approach that MDA has taken. I think it has added clarity to the investment, and also helps us focus on how we're moving forward: block one being initial capability to defend against North Korea; and block two focused on the regional area and increasing investments there; block three first steps to take defense of the United States against Iran; four, to expand that defensive capability to include our allies; and five, to flesh out the second major contingency approach to the regional threat. And so as you see that, we have got -- we've fielded the North Korean portion of that already, and I think we are taking the appropriate emphasis in block two right now, while working on each of the blocks across the board.

BILL NELSON:
All right. There's something called the Joint Capability Mix (ph) study; now there's a second version, and it suggests that we need more THAD and Standard Missile-3 interceptors than envisioned in the first study. Is that correct?

CHILTON:
Senator, I'm not sure that that has reported out formally yet, and let me take that for the record to get back to you on that, because I want to be absolutely certain. I have heard the same reports that you have had on that, but I have not seen the second JCM study that would say that. It wouldn't surprise me, and I think it's certainly recognized in the block approach by MDA as saying that, "No, what we're doing today is not going to be adequate for the long-term"...

BILL NELSON:
Well when you find out, then we want to be briefed on that...

CHILTON:
Absolutely, Senator.

BILL NELSON:
... second version of the study as well.

CHILTON:
Happy to.

BILL NELSON:
All right. Now, you're command has the lead for planning the shoot-down of the satellite that just came down. I need you to be brief, because we need to change panels here, but I want you to explain the process, which started back in December, including when the decision was made that it was possible to get it, and the agencies involved. And then what I want you to do -- I want you to do that right now, and then I want you to provide for the record the modifications that were made to the Aegis ballistic missile system to enable to do that -- those modifications that you made on the software and all that -- and, well go on and answer that quickly.

CHILTON:
Sure. And Senator, I'd like to provide for the record a written portion of what you asked for me to do quickly verbally here, because I'm sure I'll not be able to do it very fast because it was pretty extensive, all the work that was done there. I'll begin by saying first how proud I am of STRATCOM and all the agencies that participated in this. Just to be a part of that, it was such a humbling experience to watch this government -- this nation -- come together in the fashion that it did to solve this problem this quickly. It began before Christmas, when the director of the NRO expressed a concern about the frozen hydrazine aboard this satellite, his concern that it could endanger the populous on the ground, and his question to the director of MDA, "Is there anything you can do?" And I was brought into the loop immediately when those questions were asked in a phone call from General Obering to me that said, "We're going to take a look at this, and we'll get back to you after Christmas." Between Christmas and New Years, I received a call from General Obering, and he says, "We're not there yet, but there -- so far, and where we've looked at this, our experts say they don't see any showstoppers. It's going to be challenging; the schedule's going to be an issue," because we knew about when the satellite was going to come down. Essentially, they had six weeks to do what they would normally do in six months. And we knew at STRATCOM there was going to be a lot of information brought together to help advise a decision on -- if we determined it was technically feasible, in parallel we had to be building a decision package to decide, even if you could do it -- somebody could do it -- would you do it? What are the pros and cons of that? And, sir, that took the great support of NASA, the NRO, Air Force Space Command, you know, contractor workforce, Missile Defense Agency to do that. But as this moved forward to the culmination of this event, the United States Navy was obviously at the tip of the spear there and did a marvelous job. It was a complete joint service approach, and interagency too. If you numbered them all up, I think we counted 16 different organizations in our government -- from organizations like FEMA, DTRA, et cetera -- that helped us be successful in mitigating this threat to the people of the world.

BILL NELSON:
OK. Now, why isn't that an anti-satellite capability?

CHILTON:
Well, Senator, I think we approached this completely -- and the analogies have been made in the press: What's the difference between you and what you did and the Chinese? And I think they're absolutely, completely apples and oranges in the description of them. First of all, we told the world what the problem was and what we were going to do. We did extensive analysis and research and have been very transparent on what our estimations of the increased risk to on-orbit vehicles would be as we approached the decision; and we've continued to publish exactly what's happened as a result of that. The Chinese, on the other hand, didn't tell anybody what they were going to do; they didn't advise anybody of the risks they were going to increase. We took steps to make sure that we mitigated the risks, not only to the populous of the planet, which was our mission and why we did this, but we were worried about on-orbit capability. And we took this intercept at an altitude that would ensure that that problem would go away in short order. The Chinese effort will be -- the results and consequences of that effort will be with us for estimates of up to a century, the risk of that will propose (ph). Their intentions on why they developed this system have not been stated; our intentions have been clearly stated, and our transparency in what we have done is -- and our modification of a system to do this and our intent to unmodify those systems and go back to what they were originally intended to do has been very transparent, I think, Senator.

BILL NELSON:
And the bottom line is that the Chinese have left tens of thousands of pieces up there, at least 250 miles high and higher, that are going to be up there, as you say, for decades, and that pose a threat to everybody else's Space assets; whereas, our intent in shooting this down was exactly the opposite: at about 120 miles high, get it so it's going to degrade faster and it's going to have a more predictable landing, and you're going to bust up that 1,000 pounds of hydrazine.

CHILTON:
That's correct, Senator. I'd only just make one minor correction: I would have liked to have waited until it was down to 120 because of our vision of shooting it as low as possible. What turned out to be as low as possible was around 150 nautical miles; but that said, our pre-shot estimates -- we're tracking very closely, if not better, to those estimates, because the intercept was so successful it really fractured the satellite dramatically. And we think the size of the pieces that we can trace will all be down in the next 60 days. And the modeling of the pieces that are too small for us to see will be down before the end of the year. And so I think that's a dramatic statement, that we took that level of interest and sensitivity into the mission that we executed.

BILL NELSON:

Well, congratulations to you and to all your team and all the multiple agencies that were involved on this.

CHILTON:

Thank you, Senator.

BILL NELSON:

As you look at the Minot-Barksdale (ph) problem, do you think that your command is going to have the oversight and the inspections to see that we've got this nuclear security for the future?

CHILTON:

Yes, Senator. We've taken some steps since then. Now, what I've found out is that over years gone by, STRATCOM went from actively participating, in the days of SAC, before STRATCOM, to the migration through the post-Cold War period, had stepped back from, obviously, conducting, because that was no longer their job, but, to even monitoring, kind of over-the-shoulder, if you will, these inspections.

That was reinstituted immediately after the Midon (ph) incident, so all the inspections since then -- and we intend forward to have a member of our inspector general team -- not conducting the investigation -- that's not our job -- but to be there when they're done and report back to me about how comfortable they are with the way these inspections are being conducted. Are they standardized? Are we satisfied with the level of scrutiny being taken? That's only a minor step that we've done, but important.

Additionally, we've increased focus up to the commander's level in STRATCOM on the status of our nuclear forces. It's part in my immersion in the weapons side that we've discussed already here, but weekly, I am briefed on our entire nuclear force structure -- all our task forces, their readiness, any issues that may come up, and those are done through a weekly briefing to me and the entire staff, that everyone is aware of. That's new.

In addition to that, we've set up a construct within the headquarters that will report up to the vice commander of STRATCOM on a quarterly basis, originally, that is chartered from a colonel's working group, general ops (ph), or intermediate group, to take a look at the entire nuclear enterprise, so that we're not only watching security of the weapons, we're watching security of the facilities, we paying attention to the health of the launch platforms and delivery platforms as well as the weapons. So an across-the-board enterprise examination that will address issues that maybe before were understood at lower levels, but not being elevated to the appropriate levels in the command.

And these are a few of the steps we're taking. I'll tell you, we're also going to robust our exercise program in this area. We had devolved to, I believe, into a kind of a checklist or command post- type exercise when we exercise these systems. I'm a little bit from Missouri (ph) on this: if you tell me you can do this, I'm going to ask you on occasion, through exercises, to show me that you can still do that.

And that's above and beyond the safety and security inspection; this is more of an operational focus. So we're going to increase that emphasis in the command as well.

BILL NELSON:

OK. Last question, and then we'll bring the other panel up and the record will remain open for any questions that we want to submit in writing.

We've got this little conflict here between the war-fighter in the area of Title 10, Military Authority, and Title 50, Intelligence Authority, as we look at this cyberspace operation responsibility. So can you give your thoughts of what you think it's going to take to resolve this quandary, and could you tell us if you think legislative action is needed?

CHILTON:

Right. Senator, I do not think legislative action is needed, and I think there's honest disagreement among some people, but pretty good agreement among others. And I'll give you an example. I mean, Title 50 is an important law that we have that protects the citizens of the United States from intelligence -- the intelligence collection is rightly targeted at adversaries.

There are some who think, because of that, that only people with Title 50 organizational responsibilities -- that those organizations should be in charge of anything that would have Title 50 associated with it. But we have examples today where we maintain that protection of the U.S. citizens, we maintain the rules of Title 50, but we actually use the Title 50 assets in combat operation.

And the examples I would use would be the RC-135 platform, which is stationed at Offutt Air Force Base, the U-2 platform, a unit that I used to command, where we have people that have Title 50 authorities that examine the intelligence collected by those platform. But day in and day out, they're deployed working for the SENTCOM (ph) commander, and they're using that information to conduct combat operations.

At the same time, the Title 50 chain of command authority has to certify that they are following the rules, and that they're trained and certified to do that. So there you see a classic case of Title 10 combat operations being closely supported by people with Title 50 authorities that are certified and held to be accountable to those laws. That's a very effective application of those two titles.

And I think that, as we look forward into the cyber domain, is a model that I would advocate for. I think the tension today is based, in a lot of areas, on the limits of resources that we have. And I spoke with Senator Sessions earlier in the testimony, growing and -- for us, identifying the requirements and growing those capabilities, which is primarily human capital, for the future is very important for us in this stage of development of the cyberspace domain and how we think about how we would conduct warfare in the future there.

There just aren't quite enough people that we need in some areas, and in other areas it's a matter of focus; and there are talents that we can use, and we just need to bring them to bear to this command. As the combatant commander, I need to demand the services provide those resources so that I can conduct the mission that I've been assigned, and the services -- we've had good dialogue with them -- are excited about doing that.

BILL NELSON:

Well, thank you, General. We appreciate it. Thank you for your service to our country, and you are always welcome in this committee.

CHILTON:

Thank you, Senator.

BILL NELSON:

We look forward to the continuing very good relationship.

And may I call up the second panel, please?

CHILTON:

Thank you, Senator.

BILL NELSON:

Thank you.

Well, we're pleased to have Assistant Secretary of Defense Michael Vickers; we're pleased to have Major General Richard Webber, who is the assistant deputy chief, Operations, Plans, and Requirements; Rear Admiral Stephen Johnson, director of Strategic Systems Programs for the Navy; and the honorable Dr. Thomas D'Agostino, administrator of the National Nuclear Security Administration.

Each of your statements will be put in the record, and if -- I'll certainly turn to you if you want to go ahead, depending on your time schedule.

SESSIONS:

Please go first, Mr. Chairman, and I'll be here and thank you for the courtesy.

BILL NELSON:

All right.

Secretary Vickers, when your position was reorganized, the position picked up new areas of responsibility; these areas included the strategic and nuclear matters, missile defense, and Space policy. So this is pretty large and diverse. What do you do to manage all of that diversity, and do you have any recommendations for changes?

VICKERS:

Sir, I believe the reorganization, which created special operations, low-intensity conflict, and interdependent (ph) capabilities, is actually working quite well. We've had extensive discussions with the GAO about this. What it has provided is a single senior civilian official to have oversight, from a policy perspective, of the department's operational capabilities, from strategic to conventional to special operations and irregular warfare; and it's enabled us to bring this together at a higher level in the department than we had before for integrative documents, such as the guidance for the development of the force, which is the department's strategic plan for capabilities out to 2020 and beyond.

My portfolio, as you said, is rather extensive. It divides between oversight of current operations worldwide, and then responsibility for the future force.

But I believe it is consistent with the responsibilities of other assistant secretaries. I do have four excellent deputies, Brian Green being one of them, who does strategic capability, and I try to concentrate my efforts among the different DASDs (ph) on high-priority items.

For example, our Space protection strategy and Space control in this strategic area, which has had a lot of attention since the Chinese ASAT test, our cyber policy and particularly cyber deterrence and the issue you just raised earlier about the division of labor between Title 50 and Title 10, while monitoring our missile defense efforts and our nuclear modernization efforts.

And Brian, for instance, has been taking the lead on negotiations in Europe in support of the State Department, and acting under Secretary Rood -- and then do that correspondingly with the other areas as well. But strategic capabilities gets every bit as much of my attention as the other areas, sir.

BILL NELSON:

Senator Graham, we just started the second panel. As a courtesy to you, Senator Sessions and I will defer if you have a few questions, because we're going to be -- we've got a long list of questions.

GRAHAM:

Well, thank you very much. And I'll be short.

One I anticipate you both allowing me to do this -- and Senator Sessions has been a great help with the MOY program -- and my questions will be to

One, I appreciate you both allowing me to do this, and Senator Sessions has been a great help with the MOX program, and my questions will be to Tom over here.

The MOX program, Mr. Chairman, in case you're not familiar with it: We entered into an agreement with the Russians many years ago now, during the Clinton administration, to take 34 tons of excess weapons plutonium that's not needed to maintain our nuclear arsenals, that's very dangerous weapons-grade plutonium, and convert it to commercial fuel that's called MOX. And we want to do that at Savannah River Site. And it will allow us to take 34 tons off the market, save hundred of millions of dollars in storage costs, because it would go from being stored in an indefinite period to becoming commercial fuel -- go from swords to plowshares. And we're building that facility at Savannah River Site, and the House constantly cuts funding for this program, and I think it's a huge nonproliferation effort by both countries to take weapons plutonium off the market, turn it into commercial fuel.

And Tom, could you give us an update -- construction on MOX and where we stand financially?

D'AGOSTINO:
Thank you very much, Mr. Chairman. I appreciate the committee and Senator Graham, for your question.
The MOX program is incredibly important to the United States government -- I believe the citizens of this country -- because it will not only eliminate 34 tons that you described, sir, but I feel provides an opportunity, actually, to eliminate additional tonnage of plutonium that we feel is not needed for national security purposes. So that...

GRAHAM:
And how much money would we save if we don't have to store this forever?

D'AGOSTINO:
Well, it's as you described. From a life-cycle cost standpoint, you know, we spend right now \$750 million a year in the National Nuclear Security Administration to protect the weapons that we have and the material that we hold. Now, not all of that is for just plutonium, but a significant -- a chunk of that is.
It's spread out, as you described, across a few sites: Los Alamos, Livermore, and the Pantex Plant. And so a good chunk of those hundreds of millions of dollars that we spend would have to continue to be spent out in the future, even if you immobilize it, because it still has to be protected. So we feel, as you've described, it's much better to actually extract the resources out of that material -- this country's invested a lot of money to make that material. We don't want to continue to spend hundreds of millions of dollars indefinitely out into the future. We'd like to extract the financial resource and the gain out of that material for the benefit of the citizens of this country, which clearly the MOX plant will do.
It's a proven technology -- the French have been doing it for multiple decades without any safety incidents -- and we feel that as General Chilton looks at the stockpile out into the future -- we've already declared an additional nine metric tons -- that there may be opportunities to add more material to that inventory to be down- blended and ultimately used to generate electricity.

GRAHAM:
Where do we stand in terms of construction?

D'AGOSTINO:
The design is well over 90 percent complete, so we have a very good handle on the cost and schedule of this project. Construction-wise -- overall, both design and construction, we're well over 20 percent on the construction path; we've already put down many thousands of cubic yards of concrete, the foundation is in.
The construction is well underway. It's looking marvelous, actually.

GRAHAM:
Is the House budget -- what does it do to our construction schedule?

D'AGOSTINO:
As a result of what we have right now in the omnibus -- we will have an impact on the construction schedule. I can't tell you exactly, because we're going to do a detailed cost -- what we will have to do is re-baseline the project. But we did lose more than \$100 million out of that project; that will have to be added on to the project unless, of course, it gets restored in the future 2009 budget.
I'm very concerned that it adds to the cost. We don't think it's an optimum way to put together a large project, sir.

GRAHAM:
Now, the nonproliferation aspect -- it was under the nonproliferation part of the government, and that's been moved. Is that a good idea?

D'AGOSTINO:
Well, right now what we've done -- we feel that the...

GRAHAM:
It is a nonproliferation program?

D'AGOSTINO:
In my view it's a nonproliferation program. It's a program that this administration should and will take credit for as a nonproliferation activity. My focus is to get the project built. I mean, I think that's what we have to do. I mean, clearly there's been energy benefits to it, but it's primarily conceived of as a nonproliferation program to eliminate this material from further use in a warhead, either by this country or any other country.

GRAHAM:
Well, anything you could provide to this committee about the importance of this program, the funding needs, we have -- Mr. Chairman and Ranking Member, we have -- South Carolina has agreed to accept 34 tons of weapons-grade plutonium that exist in different sites around the country, consolidate it at South Carolina, save a lot of money over time, take this excess plutonium, build a MOX plant, turn it into commercial-grade fuel that can never be used in bombs again, and it can go into our commercial reactors to provide power.
And South Carolina has agreed to do this, and we're a couple years behind schedule, so anything this committee can do to get this program moving forward would be a great benefit to the country, because the Russians have agreed to do the same thing. You know, 34 tons of weapons-grade plutonium is a large amount of plutonium existing here and in Russia, and if we can turn that sword into a plowshare, I think the world would be safer. We're willing to do that in South Carolina to save the system billions of dollars over the life of this plutonium; we just need to get it moving. So thank you for the opportunity to put that on the record.

BILL NELSON:
The Emerging Threats Subcommittee, tomorrow at 2:30, is having a hearing on this subject, and they will go into details. So you might make a note of that.

GRAHAM:
Well, thank you very much, Mr. Chairman. And Senator Sessions was great last year making sure we keep this thing on track.
Thank you.

SESSIONS:
Secretary Vickers, tell me, can you bring us up to date on the department-wide activities to implement the prompt global strike concept? This is a concept that we would be able to strike globally within minutes without using a nuclear warhead, just a conventional-type missile and maybe even an inert warhead; and the plan had originally been to convert Trident submarine missiles for this project, and the Congress has not approved that. Where are we heading on that?

VICKERS:
I'd be happy to, sir. As you noted, the near-term option of conventional Trident modification has moved into a defense- wide account to look at a broader range of technologies, from hypersonics to conventional ICBMs to new reentry vehicles that could be used on our sea-based platforms; Common Aerospace Vehicle is another air option that's under consideration. So there's a fairly wide range of technologies that have different characteristics, in terms of overflight, but still meet the prompt global strike requirement.
The key aspect of that is that they are in the research and technology phase, and they're basically oriented at the midterm effort -- sort of 2015. CTM remains our really only near-term option in the next three years. But so we continue to pursue as aggressively as we can this wide range of technologies, and that's where we are right now.

SESSIONS:
Well, Admiral Johnson and General Webber, would you describe you services' ideas and alternatives that you're looking at?

WEBBER:
Yes, Senator Sessions. On the Air Force side, again, it's a technology effort. We are working carefully with a program that started off under DARPA, called the hypersonic technology, and we're looking at potential tests in the FY '09 timeframe to start making sure that we understand and are properly developing that technology. But it's a technology effort at this time.

JOHNSON:
Sir, the Navy has proposed several technologies to Secretary Victors (ph) and the team that's working the defense-wide account. We think that there are a wide range of opportunities, including scaling up the Fushet (ph) warhead that was the previous R&D effort that the Navy did; that warhead's been tested at 5,000 feet per second and a little over 7,000 feet per second, and it's particularly effective for the purposes, and it can be used in a wide range of applications other than Navy.

So we would propose two flight tests: one to do the range-safety necessary, whether it would be a ballistic missile or some of the Air Force options, but it would be a common range-safety approach, and then further tests on warheads.

VICKERS:

Senator Sessions, if I could just add one point. This is a very important -- we talked about the technology options that we have in the midterm; it's a very important capability to give future presidents additional options for this prompt global strike requirement that we don't have today, for terrorists transferring nuclear material, a ballistic missile launch, or perhaps a Space- control ASAT launch or something else where we have, potentially, nuclear-only options for prompt global strike today.

SESSIONS:

I agree that this is a alternative to nuclear weaponry. It's a concept that will allow us, and is really part of, a drawdown of our nuclear stockpile. It's something that we need to work out. I offered the amendment, which lost, to convert our Trident missiles -- conventional Trident missile modification that we talked about. And so I'm worried about it.

I just think -- and it's not any large change, except we can go longer distances quicker. I mean, if we're having aircraft in the air, and they could use a missile to strike a target if they happen to be there and they happen to be close -- so this, in terms of -- if it doesn't have a warhead on it, it's really no different than that, is it, Secretary Vickers?

VICKERS:

It is not, sir.

SESSIONS:

Now, General Webber, the Air Force concept concerns me because it seems to run afoul of the same criticisms that the Congress -- who didn't agree with me, the majority -- found fatal with the conventional Trident modification. Can you tell us, is this a concept that would in any way be more palatable than what we've got now?

WEBBER:

Senator, absolutely. I think it starts to get at the issues of ambiguity that the Congress was concerned about. First you worry about, where did this item launch from? Is it coming from a

platform that's a declared strategic platform, or a location on the earth like a ICBM field that's a declared strategic location? So this concept could be moved to a different location.

The second step is, when it launches out, what does that profile look like in terms of the fly-out of the trajectory? What does it look like to sensors, in terms of the kind of missile it is, how hot it burns, et cetera? And we're looking at profiles, trajectories, and missiles that would be completely different from declared strategic platforms. So you have a different location, a different profile...

SESSIONS:

Well I think we need to look at that, Mr. Secretary, because rightly or wrongly, if our colleagues here think that's going to be -- somehow implicate the same risk that we had before, that it might be misinterpreted, the we don't have enough money to do everything we'd like, so we're going to have to be careful about that.

UNKNOWN:

Yes, sir.

SESSIONS:

With regard, Mr. Vickers, the European site -- I won't go into detail about that. I had the opportunity to meet with the Czech ambassador last night; we know the president has met with the Polish leadership. And can you give us any update on the current status of the negotiations between Poland, the Czech Republic, and the United States with regard to establishing what I think to be quite important -- very important: a strategic missile defense site in Europe?

BILL NELSON:

We are going to have General Obering here on April the 1st.

SESSIONS:

All right. Give me, briefly...

VICKERS:

I will, sir. We're very close with the Czechs; we essentially have concluded negotiations for the remaining environmental issue. With the Poles we are a bit further behind; it has been

brought up with the modernization issues with the discussion the president's just had with Prime Minister Tusk. But we're very optimistic that we can conclude both agreements this year.

SESSIONS:

Well, I think that's important and I think we need to do our part in the U.S. Congress. And it's going to protect the United States and will keep our allies in Europe far safer than they would be, far less subject to intimidation and threats from a nation like Iran, who continues to develop missile systems.

Thank you.

BILL NELSON:

Mr. Secretary, the Defense Science Board Nuclear Task Force report on this Minot-Barksdale fiasco -- one of the main conclusions of the task force was a decline in nuclear focus, and I quote, "characterized by embedding nuclear mission forces in non- nuclear organizations." And the criticism was aimed at both the Air Force and the Office of the Secretary of Defense.

One of the recommendations was that there should be an assistant secretary for the nuclear enterprise. What say you?

VICKERS:

I have extremely high regard for General Welch; I respectfully disagree about the assistant secretary. It is true that across the enterprise, nuclear weapons issues have been embedded with other organizations. Before it was with regional -- Europe and Russia -- today it is more of a capabilities focus. But we've always had a DASD under various names -- Forces Policy, Strategic Capabilities -- that has had oversight of those capabilities, Brian Green being the current one today.

I believe the capabilities approach provides a better approach than the regional. You know, assistant secretaries are fairly scarce to deal with problems like China, for example, and to integrate it with other capabilities, where we want to bring to bear Space information, our conventional strike options.

Next generation bomber is a subject near and dear to my heart -- both the conventional platform and a strategic platform; it's vital for both.

And so, no organizational arrangement is perfect. I believe the current one provides good oversight over strategic policy and operational capabilities across the board, but again, I have the highest regard for General Welch.

BILL NELSON:

All right.

General Webber, that same task force took to task the structure of the Air Force, because they recommended that a single technical organization be created, headed by a major general who reports directly to the chief, and I quote, "that has full responsibility and accountability with the Air Force for, and only for, nuclear systems and procedures," end of quote. What do you think, and what's the status?

WEBBER:

Sir, we have moved out smartly on all of these recommendations. When you take the CDI -- the Commander Directed Investigation -- the Blue Ribbon Review, and the Defense Science Board, and roll them up together, 128, roughly, recommendations. And we are tracking that with an Air Force general officer -- nuclear general officer steering group -- that as a result of these activities, we've upped from a one-star to a three-star, to oversee how we work off all of these recommendations. Of the 128, all but three were directly for the Air Force; and those other three might be things that were going to go to OSD, but we're going to follow how we hook up with those changes and processes.

Now turning specifically to what we've already changed: In addition to a three-star now leading the general officer nuclear steering group, we have made the decision to have a two-star-led director for plans, operations, and requirements on the air staff that will be a direct report to my boss, Lieutenant General Darnell. And so that will be the rollup of all of the nuclear responsibilities.

Also within the Air Force, on the technical side, we have now combined under a one-star -- used to be a colonel -- all of our nuclear weapon activities and the Nuclear Weapons Center. So now you have cradle-to-grave responsibilities for Air Force nuclear weapons in one single activity.

BILL NELSON:

So the Defense Science Board recommendation that the commander of the Air Combat Command should ensure that the 8th Air Force has the full authority for the daily B-52 operations, both nuclear and conventional -- that's not being adopted by the Air Force, is what you're saying?

WEBBER:

Sir, that is not correct and that recommendation was dealing very specifically with the skip echelon relationships that 8th Air Force had with Air Combat Command Headquarters, in terms of day- to-day responsibilities. That is one of the activities that's already been changed, and those responsibilities are now aligned under the 8th Air Force commander, sir.

BILL NELSON:

And how about the B-52 initial training course at Barksdale, and the B-52 Weapons School course? Will the flight training include the nuclear mission?

WEBBER:

Yes, sir. Those are also items that have already been fixed. We now will have a nuclear curriculum in the B-52 Weapons School curriculum; that's already been added, as well as the flight training unit now has a simulator -- both classroom and simulator profiles that involve the nuclear mission.

BILL NELSON:

The nuclear community categorizes accidents and incidents involving nuclear weapons depending on the nature and the severity of the accident. The lowest-level category is a dull sword, followed by bent spear, broken arrow, empty quiver, and nuke flash. Has this Minot-Barksdale incident been so categorized?

WEBBER:

Yes it has, sir, and I am not familiar with how that was categorized. I can provide that for the record.

BILL NELSON:

Well, it appears that over 200 dull swords have been categorized since 2001. How many dull swords have occurred since the Labor Day incident involving this Minot-Barksdale incident?

WEBBER:

I'm not aware of that and will provide that for the record, sir.

BILL NELSON:

OK.

Admiral Johnson, on to the RRV. The first warhead to be replaced under the original schedule was the W-76. Now with the schedule change, what is the decision with respect to the W-76? Are they going to undergo a life extension?

JOHNSON:

Yes, sir. The 76 Life Extension program is ongoing. When we met last year on these same subjects, we were about to go into production on the arming, fusing, and firing circuits, which is provided by the Navy. We have done that; we are in production on that portion. And the warhead section, which is done by Mr. D'Agostino's team at the Department of Energy, is about to go into production.

The 76 Life Extension program will move forward even as we work on RRV or some other variation of a modern warhead.

BILL NELSON:

Well, it's run into some technical problems. Have you been involved in the resolution of the technical issue?

JOHNSON:

Yes, sir. Mr. D'Agostino's probably best qualified to answer the details of that. There are...

BILL NELSON:

All right, well we'll get to him in a minute.

JOHNSON:

Yes, sir. There are...

BILL NELSON:

Has it been resolved yet?

JOHNSON:

No, sir, although I believe we are about to resolve our production issues. It's an example of restarting a vendor base and a capability that existed years ago and has been shut down. And from my perspective, we're experiencing reasonable and relatively predictable delays, although you don't know exactly where they'll show up, in restarting production. And I would think we will find similar -- different, but similar -- kinds of delays if it's necessary, if the Congress chooses to life extend other programs.

BILL NELSON:

All right. Is it going to impact the schedule of having the first life-extended W-76 ready in early fiscal year '09?

JOHNSON:

I don't know for sure. If we stick with early in '09 I think it's likely that we'll make that or be mid-'09. Most of our decision meetings are maybe 60 days from now, and we can give you a joint technical answer with more skill then. Part of this -- and we're in an open hearing, but part of the material issue that we're talking about require time to do tests.

And of course, you know, concrete takes 21 days to set; you can't make it set faster than that. And although this isn't a concrete material, it has that kind of time-related testing that goes with it. So I think we'll know pretty well in 60 days.

We see no delay whatsoever in our ability to operate the 76 warhead series; we have a great deal of flexibility on schedule. And although it's an important subject, I don't consider it a crisis by any means at all. It's, I think, normal for a restart.

BILL NELSON:

And so we're looking at the middle of '09 for the...

JOHNSON:

At the earliest.

BILL NELSON:

... life extension...

JOHNSON:

Yes, sir.

BILL NELSON:

... at the earliest?

JOHNSON:

Early in -- I lost track of whether you said fiscal year or calendar year, but I'll go with calendar year. Shortly after the new year, I think, would be about the earliest.

And Tom, you're more qualified than I am.

D'AGOSTINO:

I can...

BILL NELSON:

Go ahead, Mr...

D'AGOSTINO:

OK. Certainly. Admiral Johnson was right on the money. We are continuing the tests on this particular material, and if the tests continue as we -- hopefully -- as we expect they will, we'll be able to make a decision on being able to use this material within the next few months as part of our production cycle, which takes us probably to April of '09 to actually get that first production unit up and out the door.

It's important to note that of the hundreds of different types of materials and parts that need to be made, this was the one that really hung us up. And it's very important, as Admiral Steve Johnson mentioned, that it really demonstrates the issues associated with trying to reestablish a capability that was established many decades ago, and build things exactly the way we did it during the Cold War era.

And that is the type of thinking that we want to make sure that this administration, but more importantly, future administrations, aren't hampered by our inability to replicate the past perfectly. So this provides us an opportunity to study different approaches. And that was one of the main ideas behind looking at reliable replacement concepts, is: Is there a better way, now that we know that we have different priorities on importance, to do things out in the future?

BILL NELSON:

Well, another reason was the safety and surety. Now, given the fact that in creating one of the newest warheads, the W-88, there was a conscious decision not to use all the available safety features, so how can you assure us, in this RRV, that we're going to have all of the safety in that or the life extension program?

D'AGOSTINO:

That's a great question. The W-88 was designed and fielded in, I mean, basically starting the late '70s, early '80s time period, so the design effort actually goes back to a point in time, as the general described, where we were constantly in a cycle of designing and building and replacing warheads; and we weren't as concerned about whether these things would have the longevity, because we knew that -- we expected, at least, if the trend would continue -- that we would take that system out of the stockpile and would replace it with new.

Now that we're in a -- looking at a different strategic environment, now that we know a lot more -- we have these super- computers that tell us a lot more about materials and how things age, now that we have a security environment that's dramatically different than we had during the Cold War, to

evaluate options to input into future systems safety features, like insensitive high explosives, security features that would be important and we could discuss in a closed session, that reflect future threats -- we think it's important to study those, and those are important things for our future deterrence.

BILL NELSON:

Last year you had some requests scattered throughout several budget lines in the NNSA budget for the work and support of the Reliable Replacement Warhead. So tell us, what's the scope of the work and support of it?

D'AGOSTINO:

Certainly. Last year we submitted one line, actually, for RRW; it wasn't -- about \$88 million, as General Chilton described earlier. We felt that it capitalized on work that we had been doing for the nation, actually, and looking at enhanced surety, enhanced safety and security for future systems. What we've proposed in the '09 budget is activities consistent with congressional direction, which is to do work in advanced certification, which is to answer this whole question of certification, "Can you deploy a warhead without underground testing?" which is a key factor for me, personally, as well as for this administration and, I believe, future administrations, to examine that question. And also to put in these safety and security features. So we have a budget line for advanced certification of \$20 million; we have an additional \$10 million for enhanced surety, which is the safety and security piece; and then we have this \$10 million requested for Reliable Replacement Warhead in order to be able to answer the questions that the JASONS ask and the Congress has asked us to answer. So realistically, the only work on RRW-type work, which is specific to the joint Navy-Department of Energy project, is this \$10 million effort; and it is focused on answering the questions that Congress has asked of us. I'm not sure if I completely answered your question, but...

BILL NELSON:

General Webber, on ICBM security: One measure was the remote visual assessment cameras at the sites to monitor them. And yet, the Air Force hadn't funded this; they put it on their unfunded list. And then the Congress has to ask for funds. So again, the same thing has happened in your budget: just \$300,000 on the unfunded list to sustain this system and install what you all say has high military utility and avoids a lot of security personnel. So what should we assume?

WEBBER:

Sir, I would take a different perspective. We are very excited about what remote visual assessment is doing for us; so much so that in my previous job before coming here, I was working with the folks on what the requirements would be for block one of that capability so that we could actually get it out there faster.

We now have five missile alert facilities and 50 launch facilities installed. And what you see in that '09 unfunded line is the fact that we bought the hardware and installed the hardware; we didn't program -- because we were moving it as fast as we could -- we didn't program the satellite access that would take the pictures and move that back to the missile alert facilities. So that's why it showed up in the FY '09 unfunded requirements list.

BILL NELSON:

Well you don't have any money in there to run them.

WEBBER:

That's what I'm talking about, sir. We purchased them through a contract, and the contract folks are -- they're paid for to buy the kits and install and maintain the kits. What we didn't purchase was the satellite access fees to move the picture back to the missile alert facility. So...

BILL NELSON:

So you want us to do that for you?

WEBBER:

We put that on the list. We put that on the list, but it was -- it's going to be programmed from '10 on out. The fact that we were able to break the program into a block approach and move capability forward meant that we got out of our own synchronization. Does that answer your question, sir?

BILL NELSON:

Often we see things that are put on the unfunded list that you expect the Congress to bail you out. And it looks like that this is one. Senator Sessions?

SESSIONS:

Mr. D'Agostino, if we develop a new -- I just got a few brief questions, and -- if we develop a new warhead -- Reliable Replacement Warhead -- will it be your agency that supervises the production of that -- the Department of Energy? The Department of Energy would be the entity that does it -- procures it?

D'AGOSTINO:

We would be the agency that procures it. Before we would get to that point, we would finish the study to tee up for a future administration. Whether or not it's...

(CROSSTALK)

D'AGOSTINO:

... but the Navy actually has the lead on the joint project team to get that study completed. And if it gets to production, then we would produce it...

SESSIONS:

And with regard to the maintaining our current stockpile, you are in charge of that and you put out the money to pay for that, right?

D'AGOSTINO:

That's correct, Senator.

SESSIONS:

Now, the money you put out does not come from the Department of Energy, does it?

D'AGOSTINO:

The money that I put out to maintain the stockpile comes from the Department of Energy. It is part of the NNSA budget.

SESSIONS:

Is that Defense Department budget or is that Energy budget?

D'AGOSTINO:

It's Energy budget, sir.

SESSIONS:

So the maintenance of the warhead would be Energy budget?

D'AGOSTINO:

The maintenance of the stockpile -- I mean, what we do -- it's not completely Energy. The majority of it is Energy; however, we provide components to the Department of the Navy and to the Air Force -- components that have to be switched out. So the services also have a maintenance activity...

SESSIONS:

With regard to -- my time's run out -- with regard to any new systems, would that come from the Defense budget or Energy budget? RRW -- let's say that were approved?

D'AGOSTINO:

With regards to that, we're in charge of producing and providing for the Defense Department. That part would come from the Energy Department budget. And then once the warhead is in the services' custody, they have an obligation -- it depends on the warhead itself how often certain parts have to get switched out. So there's a joint responsibility for maintenance which comes out of both budgets. Once the services are done, they provide it back to the Department of Energy, and we have 100 percent maintainability requirement. There's a period of time in the warhead's life where there is a joint responsibility for maintaining the warhead itself, and during that time we integrate quite closely to provide parts.

SESSIONS:

It's a DOE budget request, but it's a Defense 0-50 (ph) budget category on the federal budget. Is that correct?

D'AGOSTINO:

That part is correct -- I'm not sure about the 0-50 (ph) part, but...

SESSIONS:

All I'm -- just want to point is, there are a number of instances in this whole process in which the Defense Department needs something and Energy delivers. And I sense -- I'll just be frank with you -- I sense Energy lacks the intensity of interest in keeping cost down because it's really coming from another source than your budget.

If the Air Force needs an aircraft and they can save money on it, they can generally spend that money on other priorities the Air Force needs, and you don't have that intensity of interest. I just encourage you, just because these projects are nuclear, not to accept any bid -- any cost -- we hear about it.

I think we're paying too much for some of these things, and I think the Department of Energy needs to be very aggressive in containing costs. Just my two cents worth, sir.

BILL NELSON:

We're going to wrap up here pretty quick. Just a couple more here.

Mr. Secretary, you heard me talking to the Strategic Command commander earlier about THAD and the Standard Missile-3. Were you consulted on the one-year delay of the THAD program?

VICKERS:

My staff was aware of it; I was not personally consulted. I believe the program is now back on track from the delays of the four firing units, six months and 12 months, respectively, is the latest information I have.

BILL NELSON:

Well, the information we have is that the department has not gone beyond planning for 96 THAD missiles and 147 SM-3 interceptors, and that the Missile Defense Agency has delayed the next version of the SM-3, and the budget request would produce a one- year delay in the THAD system.

VICKERS:

What I was referring to, sir, was the four firing units that had been slipped (ph) to schedule -- six months, I think, for one and two, and 12 months -- that I think they have re-juggled recently and brought it back. SM-3, I think, is still an issue for us. But I'll have to get back to you on that, sir.

BILL NELSON:

OK. And we put some specific language in last year's authorization (ph) bill about this. And it doesn't seem like that the department is paying attention to it, so we'd like some answers.

VICKERS:

Yes, sir. You know, as you know, I mean, the goal of the program is to strike a balance between short and medium-range threats and long-range, and then near-term and longer-term, and we want to get as much capability as we can in the hands of the war- fighter as soon as possible.

BILL NELSON:

And let me tell you, those combatant commanders want that THAD, they want that SM-3...

VICKERS:

Yes, sir.

BILL NELSON:

... and they want those Patriots.

VICKERS:

And we need THAD for southeastern Europe defense and NATO defense as well, sir, yes indeed.

One point if I could just add, sir, on our earlier discussion: It's very important to align OSD oversight with General Chilton's responsibilities. He is now moving -- if he hasn't briefed you on this already -- to broader deterrence plans against a wide range of actors, looking at nuclear, cyber, and Space as well, and it's important, I think, that oversight be aligned in any organizational design -- whatever we would look at.

BILL NELSON:

Mr. D'Agostino, your agency seems to want to finance third-party financing, and you've worked it into your long- term plan. That's where a private party would build a building or a facility and then lease it back to the government.

Now, as you know, OMB has some pretty strict rules about when and the circumstances that the government can enter into that, as does the Department of Energy. The facility must have commercial value, and the arrangement has to be more economic to the government than building the building itself and the facility.

The NNSA contractor, in many of the proposals that have been discussed, would enter into the lease, not the government. Why doesn't NNSA enter into the contract?

D'AGOSTINO:

Actually, I'm not aware of that particular detail. I don't know if that's been completely determined that it's the actual NNSA contractor. We do have an arrangement right now, at Y12 (ph) in that area (ph), and you're correct, sir, that we are looking at this approach to see if it makes sense for two other sites that I'm aware of off the top of my head. And I'll look into that particular point; I'd like to take that one for the record, if I could.

BILL NELSON:

You can imagine what happens to the lease if the NNSA outside contractor is no longer the operator of the facility.

D'AGOSTINO:

Right.

BILL NELSON:

OK. We do...

D'AGOSTINO:

I think that's right, yes, sir.

BILL NELSON:

All right. Now, in many of the proposals, the land on which these proposed buildings are to be built is government land -- behind the security fence -- that would be sold to or leased to a developer. In the lease situation, the lease would contain the normal clause that the lease could be cancelled at any time.

D'AGOSTINO:

That's correct.

BILL NELSON:

If that's the case, what would happen to the building? Would it revert back to the NNSA?

D'AGOSTINO:

I think in the lease situation, you know, the idea behind the lease is that should the government determine that it does not have the mission there -- and essentially would want, maybe -- whether it's changing mission or further consolidation or downsizing, we would have to determine what is in the best interest of the government: return that building back to the NNSA, or actually sell it off, in effect. So there are probably multiple -- there are a couple of different approaches, and I think it'd probably be situation-dependent.

BILL NELSON:

Well, the other question that's begged is, does the building behind the Department of Energy security fence have commercial value? And it could be leased by a private entity if either the lease or the building lease was cancelled.

D'AGOSTINO:

That's right. The determination has to get made before we even enter into this type of an agreement, recognizing where the building is. And if it's determined that we don't -- the government doesn't have a need there before, we would have to change -- the fence line would have to change, clearly.

And it would most likely only happen in a situation where we'd be getting out of that mission completely in that area. And therefore, moving the fence line wouldn't be a problem with having two different types of mission activities, one a commercial one, closely located with inside (ph) an enduring long-term mission.

BILL NELSON:

Well, before you jump into this, I would suggest that you find out about the fiasco in the United States Air Force with regard to base housing on five Air Force bases, including Patrick Air Force Base in Florida.

D'AGOSTINO:

OK.

BILL NELSON:

They are getting themselves into a situation where they turned it over to a contractor, in some cases with a lease, and as they say in their -- as they come down their checklist, they can be in a situation where the builder -- the lessee of the land, who builds the base housing -- would be in a situation that they could go out and rent that base housing to outside people, and it's within the security fence.

D'AGOSTINO:

I'll look into that, sir.

BILL NELSON:

And this is a real live one, right now...

D'AGOSTINO:
OK.

BILL NELSON:
... with five Air Force bases. And the worst egregious example of how the contractor has botched it up is Patrick Air Force Base. So there's lessons learned. You all ought to pay attention to that before you start to jump into this.

D'AGOSTINO:
Yes, sir.

BILL NELSON:
In some proposals, the developer would not be subject to federal procurement or contracting requirements or DOE orders. You've got to look at that. And would that exemption extend to exempting the facility from the jurisdiction of the Defense Nuclear Safety Board? And so, what's wrong with the regular process of seeking funds for the government to build a building?

D'AGOSTINO:
My goal is to look at all avenues to satisfy the mission requirements in the most responsible way possible, which involves a combination of financial, programmatic, and the like. And I have to make sure that these considerations are properly reflected in any decision that gets made to move down in that direction.
What's clear to me, when I look at our current nuclear weapons complex, is that I have something right now that is unwieldy, if you will, sir. And that is, it was built up over a period of 50 years; many of these facilities are just right after World War II types of facilities. And the status quo of just maintaining what I have is not appropriate.
So I want to dramatically shift the footprint, and essentially reduce the footprint by about 9 million square feet, which would take us from 36 million to 25 million square feet. And I've been very clear, not only to contractors, but more importantly in my direct reports, that I want to make sure all options are on the table.
I just don't want to keep doing business like we used to do business, just continuing to do M&O-type contracts in the past. And this is an element of that. I mean, I've been expansive from the standpoint of making sure we look at all options, and to make sure that we meet the criteria not only from OMB, but from Congress as well, from the public works committees, from the authorization committees, and from our own DOE regs.
And from my standpoint -- A.J. Eggenberger is the chairman of the Defense Board, and I talk on a -- I won't say -- certainly not on a weekly basis -- but talk on a basis where he understands about our large projects that we have coming out. And we try to work out and make sure that we don't -- we're not compartmentalizing, if you will, Defense Board oversight. Because in my view, it's a good input for me -- an independent input -- on whether or not we're doing the right thing from a safety standpoint, so...

BILL NELSON:
Well, you just don't want to get yourself in a situation in highly sensitive secure areas, such as the Department of Energy...

D'AGOSTINO:
Right.

BILL NELSON:
... that you suddenly have because of lessees and lessors...

D'AGOSTINO:
Right.

BILL NELSON:
... the access to secured areas by people that are not cleared.

D'AGOSTINO:
Absolutely. Yes, sir. I'll take a look at the Patrick Air Force Base example as well as re-look at your questions, sir, on how the lease payments are made, whether it's through the department itself or through the contractor.

BILL NELSON:
OK.
Well, thank you all for your participation today. The meeting is adjourned.
CQ Transcriptions, March 12, 2008

List of Panel Members and Witnesses PANEL MEMBERS:

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SEN. JACK REED, D-R.I.
SEN. BEN NELSON, D-NEB.
SEN. MARK PRYOR, D-ARK.
SEN. CARL LEVIN, D-MICH. EX OFFICIO
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SEN. JAMES M. INHOFE, R-OKLA.
SEN. LINDSEY GRAHAM, R-S.C.
SEN. JOHN THUNE, R-S.D.
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MAJOR GENERAL RICHARD E. WEBBER, ASSISTANT DEPUTY CHIEF OF THE AIR FORCE FOR OPERATIONS, PLANS AND REQUIREMENTS
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