

Management of those projects, and others, is only one part of the contracting reform effort that has been proposed. There are two other portions of the potential contract: an enterprise services piece that would serve to standardize project management practices across the NNSA's eight sites, and a professional services piece that would include advisory services, project oversight, project planning, document and presentation development, and inspection and validation. "What this allows us to do is shift responsibility for project execution from the M&O contractors to a new integration management and executing contractor," Hickman said. "It allows the M&O contractors to focus on their core competencies which is research, development, operations and maintenance, and then we allow the IME contractor to focus on construction excellence. That's one of the keys that will get us off the GAO's High Risk List. We don't like to be there. If I can get all of our projects performing to the point where they're meeting their design requirements, their cost and schedule requirements, and the GAO just doesn't want to take us off the list, I'm OK with that, because I've got the proof that we're doing what we said we were going to do when we said we were going to do it and the project does what it said it was supposed to do."

Hickman: There's Value Even Without Big Projects

Hickman suggested that if UPF or CMRR-NF were not part of the scope of work, the contract could still have a lot of value to the NNSA. The NNSA previously said the contract could consist of all construction projects worth more than \$5 million, which could include projects like the High Explosive Pressing Facility at the Pantex Plant, a project that will cost more than \$100 million, but nowhere near the \$5 billion estimates currently surrounding UPF and CMRR-NF. "It'll be harder to do if there are two major sites operating under the same requirements we've had in the past," Hickman told *NW&M Monitor*. "We can wean them with this in place. Although that scope may be limited for us, we're changing the complex. The opportunities if we get the contract in place for the contracting community is pretty substantial over the next 15 years. It might not be what we've got on the table today; we've got to look to the future."

—Todd Jacobson

COSTLY URANIUM PROCESSING FACILITY ALSO A NECESSITY, HARENCAK SAYS

Are Multi-Year Appropriations an Answer to GOP Concerns on Out-Year Funding for Major NNSA Projects?

KNOXVILLE, Tenn.—It's big, it's complex, it will take more than a decade to complete, and it's going to be costly. But the Uranium Processing Facility that is planned

for the Y-12 National Security Complex is also necessary, according to Brig. Gen. Garrett Harencah, the National Nuclear Security Administration's top military official, who offered a spirited defense last week of the multi-billion-dollar facility that will eventually consolidate enriched uranium work at Y-12 into one building. "Is UPF going to be expensive? Yes, yes it will," Harencah said at the Energy, Technology and Environmental Business Association annual conference last week in a speech interspersed with one-liners, anecdotes and stories from the boisterous former fighter pilot. "However, look at what it will provide for us. Look at what it does. Then you ask yourself, one of the gravest threats to America is the nuclear threat and Y-12 and UPF will be there to defend it. Is that not worth it?"

Over the last year, a consensus has largely emerged that the facility is needed, shifting discussion to the cost of the UPF and its billion-dollar counterpart, the Chemistry and Metallurgy Research Replacement-Nuclear Facility at Los Alamos National Laboratory. A 2007 cost range pegged the cost between \$1.4 and \$3.5 billion, but Sen. Bob Corker (R-Tenn.) offered a hint of the potential price tag earlier this year when he said it could cost between \$4 billion and \$5 billion. Budget documents peg the price of CMRR-NF near \$4 billion, but most observers expect that the true cost of the facility is north of \$5 billion.

The price tag is important because Senate Republicans have questioned whether the Administration has committed enough money over the next decade to modernize the nation's nuclear weapons complex and arsenal, which is key to the GOP support for the New Strategic Arms Reduction Treaty with Russia. Vice President Joe Biden acknowledged in September that the \$80 billion pledge for the NNSA's weapons program over the next 10 years wouldn't be enough, and with a potential vote on the treaty looming (*see related story*), the Administration has been working to update its modernization plan to sway Republicans that are worried about the long-term funding commitment for UPF and CMRR-NF.

'Front-Funding' Considered for UPF, CMRR-NF?

One option that is being discussed among Administration officials involves front-funding the multi-billion-dollar projects, a drastic step that isn't typically used for Department of Energy projects. In August, NNSA Defense Programs chief Don Cook told *NW&M Monitor* that the unique financing approach was "one of the many things we consider in projects," adding: "There is always an option to do more of the forward financing, either as an entire block, or as a bigger fraction, and that has been done for some things in the Department of Defense like [air craft] carriers, but that really is entirely up to Congress." Last

week, Harencak would not comment on the discussions. “We’ve been asked to not talk about budget things right now even though it’s a critical time as we’re going through the [White House Office of Management and Budget] process,” Harencak said.

While the approach would appear to address the concerns of Republicans worried about the long-term funding for the projects, it’s not necessarily expected to be popular among Congressional appropriators, who aren’t likely to yield the yearly control of a project easily. “Part of the way Congress ensures good management of projects is through the budgeting of them,” a Congressional aide told *NW&M Monitor*. “If you give that up, what’s your recourse for when things are going wrong?” The aide also indicated that there are serious issues with committing significant amounts of money to projects that aren’t even mature enough to have a solid performance baseline. “You’re going to commit out-year funding to two projects that don’t have a cost estimate?” the aide said.

‘We’re Pretty Close to Having it Right’

Harencak emphasized that the NNSA was doing all it could to contain the cost of the facility. Indeed, Cook has asked the Department of Energy’s Office of Cost Analysis and the Pentagon’s Cost Analysis and Performance Evaluation group to examine the facilities as the agency refines its budget request for Fiscal Year 2012. “We’re doing everything in our power to contain the cost of UPF and CMRR,” Harencak said. “We’re just going to do it. . . . At some point you just have to say it’s going to cost some money, we’re going to have to invest to do it. We have got to have this facility. It’s as simple as that.” Harencak also addressed a review that has been initiated by Energy Secretary Steven Chu to examine the requirements for the facility, which could also impact the cost. “I’m 100 percent confident in the work we’ve already accomplished,” Harencak said on the sidelines of the conference. “I look forward to the Secretary’s review. We’re always looking for better ways to do things. I’ll tell you, we’ve had a great team working this and I’m pretty confident that we’re pretty close to having it right. On the other hand, it’s always great to have another set of eyes looking at it and giving us ways to improve.”

But in the end, Harencak reiterated the need to move quickly on modernizing the nation’s nuclear deterrent, expressing that vision in a style all his own. “Would it be nice if we lived in a world where forest animals live in trees and talk to each other and wear funny suits? Yeah, that would be nice if there was such a place where we wouldn’t need to worry about nuclear security, but unfortunately that place doesn’t exist,” Harencak said. “But we live in a world with threats, we live in a world with evil

people that are threatening my children, your children, our families, our friends, our way of life, and we have to defend against that.”

—Todd Jacobson

LENGTH OF LAME-DUCK SESSION TO DECIDE FATE OF RUSSIA ‘123 AGREEMENT’

Congress will determine the fate of a civil nuclear cooperation deal with Russia over the next several weeks in a rather unconventional fashion: by deciding how long it stays in Washington for a lame-duck session. Entering the lame-duck session that starts Nov. 15, the so-called ‘123 agreement’ has spent 75 continuous legislative days before both chambers of Congress, which means the House and Senate will need to remain in session another 15 legislative days to help the Obama Administration avoid the embarrassment of having to submit the treaty to Congress for a third time. The Bush Administration pulled the agreement from consideration in 2008 due to the Russian-Georgian conflict.

The treaty would last for 30 years before being revisited and would allow the transfer of nuclear technology and expertise between the countries—after the granting of a special permit from the Department of Energy. Like all 123 agreements, the pact will enter into force once it spends 90 continuous legislative days before Congress, an intermittent clock that stops ticking when either the House or Senate isn’t in session for more than three days at a time. That has made calculating the date the treaty will enter force difficult—even for the Administration.

A Moving Target

When the agreement was submitted to Congress May 10, Administration officials believed they had left just enough time for it to sit before both chambers for 90 consecutive days of legislative review. However, several events changed the legislative clock: the Senate recessed two days earlier than anticipated before the Independence Day break, and the House trimmed seven days from its planned summer session, deciding to leave town July 30 rather than Aug. 6 like its Senate counterparts. Both chambers left Washington more than a week earlier than expected in the fall for the elections, further slowing the pace of the agreement’s legislative clock. “It certainly makes you wonder, if this was that important to the Administration why did they wait so long to submit it?” a House GOP aide told *NW&M Monitor*.

The exact date the treaty could enter into force remains unclear and could very well be determined by how the