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United States Government Accountability Office
Washington, DC 20548

June 7, 2012

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Howard McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Subject: Nuclear Security Enterprise Modernization Plans and Budget Remain Under Revision

This letter is to update you on the status of our effort to address the directive in section 3113 of the National Defense Authorization Act for Fiscal Year 2011 that GAO annually review and assess the National Nuclear Security Administration's (NNSA)¹ budget requests and plans for the modernization and refurbishment of the nuclear security enterprise.² GAO's assessment is based on a review of several regularly updated future year plans and budget documents.

NNSA's modernization and operations plans are detailed and annually updated in the agency's *Stockpile Stewardship and Management Plan (SSMP)*, which provides details of nuclear security enterprise modernization and operations plans over the next 2 decades. NNSA's annual budget request and associated Future-Years Nuclear Security Program (FYNSP), a 5-year budget document approved by the Office of Management and Budget and required by the legislation that established

¹ NNSA, a separately organized agency within the Department of Energy, is responsible for managing its contractors' nuclear weapon and related national security activities in laboratories and other facilities, collectively known as the nuclear security enterprise.

² Pub. L. No. 111-383, § 3113 (2010).

NNSA, provide additional detail on these plans.³ In addition, a congressionally required "1043" annual report requires, among other things, NNSA to provide a detailed 10-year estimate of modernization budget requirements.⁴

According to the Secretary of Energy, the August 2011 Budget Control Act created "new fiscal realities" which have caused the agency to revise its long-range modernization and operations plans and budget.⁵ An NNSA official told us that the revised plans, to include the updated SSMP, FYNSP and 1043 annual report should be completed in July 2012.

As we discussed with your offices in March and April 2012, without these key documents we remain unable to fulfill our obligation under section 3113 of the National Defense Authorization Act for Fiscal Year 2011 to review and assess NNSA plans and budget for the modernization and refurbishment of the nuclear security enterprise. As agreed with your offices and in accordance with law, we will conduct the required analysis and will report to your committees when NNSA provides us with these documents.⁶

If you or your staff have any questions on this matter, please contact me on (202)-512-3841 or aloise@gao.gov.



Gene Aloise
Director
Natural Resources and Environment

³ NNSA was created by the National Defense Authorization Act for Fiscal Year 2000. Pub. L. No. 106-65, § 3201 *et seq.* (1999). Section 3253 requires NNSA to submit a FYNSP "at or about the time the President's budget is submitted to Congress."

⁴ Section 1043 of the National Defense Authorization Act for Fiscal Year 2012 requires the Department of Defense and NNSA to jointly produce an *Annual Report on the Plan for the Nuclear Weapons Stockpile, Nuclear Weapons Complex, Nuclear Weapons Delivery Systems, and Nuclear Weapons Command and Control System*. Pub. L. No. 112-81 (2011). This report is required to be delivered to Congress along with the annual budget request.

⁵ The Budget Control Act of 2011, amending the Balanced Budget and Emergency Deficit Control Act of 1985, establishes limits on discretionary spending for fiscal years 2012 through 2021. In addition, the act specifies additional limits on discretionary spending and automatic reductions in direct spending because legislation was not enacted that would reduce projected deficits by at least \$1.2 trillion by the end of fiscal year 2021. Among other things, the Budget Control Act requires the Office of Management and Budget to calculate, and the President to order, a sequestration of discretionary and direct spending on January 2, 2013, to achieve reductions for that fiscal year. See GAO, *Agency Operations: Agencies Must Continue to Comply with Fiscal Laws Despite the Possibility of Sequestration*, GAO-12-675T (Washington, D.C.: Apr 25, 2012).

⁶ Pub. L. No. 111-383, § 3113 (2010) requires we report on nuclear security enterprise modernization not later than 90 days after NNSA's submits its annual budget materials.