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United States Senate

COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

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September 19, 2012

Ms. Joanne Choi
Acting Deputy Chief Financial Officer
Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Ms. Choi:

In a letter dated September 13, 2012 you informed the Senate Armed Services Committee of the Department of Energy's intent to reprogram \$120 million from construction for the Nuclear Facility portion of Chemistry and Metallurgy Research Replacement Project (CMRR-NF, project 04-D-125) to various elements associated with a stop-gap strategy that the CMRR-NF was to perform. The total estimated cost of this alternative plutonium sustainment strategy will range between \$800 million to \$1.13 billion. This estimated cost is found on page 101 of the April 16, 2012 estimate prepared by Los Alamos National Laboratory. When asked, Dr. Charlie McMillan, the laboratory director has stated unequivocally that this is the laboratory's most accurate estimate for the cost of this alternate strategy. The NNSA and the Department of Defense have both stated that even with the alternative strategy, the CMRR-NF still must be built to support future life extension programs. The original CMRR-NF cost range as stated in the April 2010, section 1251 report to Congress was between \$3.7 and \$5 billion. The alternative plutonium sustainment strategy, which will delay construction of the CMRR-NF facility by "at least five years" will most likely increase construction cost by 25 percent resulting in a new range of \$4.6 to \$6.2 billion. If the costs of the alternative plutonium sustainment strategy with a mid-point estimate of \$1 billion are included, the CMRR-NF cost range will increase to between \$5.6 and \$7.2 billion in current year dollars. This is a very serious cost escalation with multiple policy dimensions. For instance, the sheer size of this cost escalation could lead to an inability to construct the CMRR-NF as proposed by the NNSA five years from now, an unacceptable worst case scenario that leaves our nation worse off in its ability to conduct plutonium science and engineering at Los Alamos. Pragmatically, the Committee has concluded that deferral of at least "five years" is essentially a cancellation.

Since the Manhattan Project, plutonium science has been a fundamentally unique stockpile stewardship mission at Los Alamos. Understanding how plutonium behaves under a wide range of geometries, extreme conditions and chemistries, with little margin of error, is perhaps the most critical element to ensuring the warhead meets its military requirements. The plutonium science performed at the current CMR facility, which will close in 2019, is performed not only on gram quantities for chemistry analysis but also with kilogram quantities to support the stockpile. Every effort must be made to strengthen this plutonium science mission as we

draw down to fewer numbers of nuclear warheads, the CMRR-NF was part of that stockpile stewardship mission and its proposed deferral endangers it.

A central tenant of our arms control policy is that as we draw down to fewer numbers of warheads, we will reduce the hedge or backup warheads, relying instead on an ability to reconstitute the hedge, based on a sound plutonium science capability provided by the CMRR-NF. The cancellation decision and this associated reprogramming runs counter to the policy of relying on responsive infrastructure and stockpile stewardship science rather than deployed or hedge warheads. This responsive infrastructure policy is one of the reasons this Committee adopted on a bipartisan vote of 26-0, section 3111 of the Fiscal Year 2013 National Defense Authorization Act, which reverses the CMRR-NF cancellation decision.

This budget proposal to essentially cancel the CMRR-NF led to a detrimental self-executing effect the day it was released. Key engineering staff that were leading the project, who are highly sought after on other nuclear and high hazard projects have since left for other job opportunities. The large engineering firms that were in charge of designing this project have moved their technical staffs to other jobs. The result is that not only has the human knowledge base been lost, a costly endeavor to re-constitute contractual activities associated with the design of the CMRR-NF will also have to be re-negotiated causing at least two year delay regardless of whether the project is started now or three years from now. The Committee is deeply concerned and troubled that the NNSA undermined the Congress and set into motion its cancellation plans without full Congressional consent. This delay also assumes that the same safety design basis can be used from the \$350 million spent designing the facility for the past three years.

The Committee looks forward to working with all elements of the Executive Branch, including the Department of Defense, to ensure that resources adequately meet both our near-term alternative plutonium sustainment and the long-term CMRR-NF needs. The Committee is disappointed with the NNSA's decision to undermine our Congressional decision making power by taking actions to impede the continuation of the CMRR facility without Congressional consent and because of these actions, the NNSA has unnecessarily increased the cost to the taxpayer for the CMRR-NF. The Committee defers action on this request but recognizes the importance of the alternative plutonium strategy. The Committee is willing to provide funding for the alternative plutonium strategy as long as a portion of the \$120 million is utilized to reconstitute the CMRR-NF facility in support of the New START Treaty. The Committee requests a meeting with the NNSA and Executive Branch stakeholders to reverse this deferral so that the short and long term plutonium needs of this nation can be met.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Levin". The signature is fluid and cursive, with a prominent initial "C".

Carl Levin
Chairman