Appendix A

National Nuclear Security Administration
Internal Emails
I would like to provide an alternate proposal for dealing with implementation of the revised DBT under current budgetary conditions. As Linton correctly points out, we do not have solid figures for the real costs associated with full compliance with the 2005 DBT. We have attempted through various means, such as last year's site assistance visit effort and a number of subsequent confirmatory evaluations, to identify appropriate security upgrades needed to modify our protection strategies and achieve our protection goals. However, none of our sites have fully-developed implementation plans that quantify the costs of an integrated approach to needed upgrades, such as the costs associated with applying new security technologies or of increasing protective force skill levels and capabilities. The complex has not universally bought into the merits of the new security initiatives and strategies, nor is it confident about the right way to implement them. I believe there is a way, described below, that we can demonstrate to the complex what needs to be done, how to do it, and how much it will cost.

I believe that if we vigorously pursue the strategies and initiatives we have previously identified, such as material consolidation and the revised approach to protective force employment envisioned in the elite force initiative and further facilitated by the increased and more effective use of security technologies, we can meet our DBT-related commitments in a timely manner. It will require strong leadership and cooperation by all parties and pointed encouragement to get some sites to fully embrace the revised DBT and to buy into, adopt, and pursue these new strategies, and I believe that should be our continued goal.

I believe we can further that goal if we clearly demonstrate that our initiatives and strategies can be successfully implemented. I propose that NNSA, ESE, and SSA immediately begin a joint effort at a demonstration site to develop and implement an integrated strategy to make the changes necessary to meet the 2005 DBT. This effort would show by example that appropriate security initiatives and strategies can be successfully implemented, how they can be planned and implemented, and the actual costs of doing so. I would suggest Idaho National Laboratory as a suitable demonstration site; of the various sites my office is working with to implement new security technologies, INL leads in its demonstrated willingness to implement our security initiatives to achieve a more effective and efficient protection strategy. It would be essential that NNSA, ESE, and SSA each fully cooperate in this effort and that managers fully buy into it, so that the lessons learned from the effort will be applied throughout the complex.

We would need to apprise Congress of the purpose and intentions of this
demonstration project, and explain how it will increase the
effectiveness and efficiency of our Department-wide efforts to meet the
requirements of the 2005 DBT. We should acknowledge that while other
sites will continue essential planned security upgrades concurrent with
the demonstration project, taking full advantage of the lessons of the
demonstration will result in some delay in the completion of
fully-integrated security upgrade packages at some sites.

-----Original Message-----
From: Brooks, Linton
Sent: Thursday, January 19, 2006 1:06 PM
To: Grant, Susan; Podonsky, Glenn; Garman, David; Desmond, William;
Sigal, Jill; Franklin, Anson; Paul, Jerry; Walsh, Bob; Sullivan, John;
Kilpatrick, Michael; Stone, Cheryl; Kolton, Anne Womack; Hodson,
Patricia J.; Kane, Michael
Cc: Barker, William; Stevens, Curtis; Campbell, Jim; Ingols, Adam
Subject: RE: DBT and the budget Round II

If the concern is the tactical one of how to portray this, we should
look at alternative formulations including saying nothing now. But we
will have to say something, perhaps as soon as rollout and certainly as
soon as the first hearing. I defer to others on ESE sites. For NNSA,
the sites asked for $209 million dollars in FY2007 for the DBT. We
validated $150 million of that and revised that number downward to $100
million when the revised DBT was approved. OMB cut our request by $200
million. We need to be clear that we won't be able to meet the
requirements.

On Susan's point, I agree that we don't want to convey a DOE position
that is only applicable to some sites. I though Bob Walsh's rewrite did
that nicely: "the budget does not fully support this implementation
date at all sites... At sites where implementation may be delayed,
such delays are acceptable, as the risk is mitigated..."

Anyhow, I'll look forward to the alternate approach/ The only thing I
think we absolutely must avoid is misleading the Hill

Linton

-----Original Message-----
From: Grant, Susan
Sent: Thursday, January 19, 2006 11:08 AM
To: Podonsky, Glenn; Brooks, Linton; Garman, David; Desmond, William;
Sigal, Jill; Franklin, Anson; Paul, Jerry; Walsh, Bob; Sullivan, John;
Kilpatrick, Michael; Stone, Cheryl; Kolton, Anne Womack; Hodson,
Patricia J.; Kane, Michael
Cc: Barker, William; Stevens, Curtis; Campbell, Jim; Ingols, Adam
Subject: Re: DBT and the budget Round II

Thanks, Glenn. We in the CFO community share your concerns. For the
sake of clarity and for internal use, I would like to see a matrix by
site on how we assess each site. My understanding is that some sites are
in better DBT posture than others (particularly the SC sites funding is
good) and are on course to meet DBT requirements. Perhaps the Deputy has
this level of understanding but it is not wide spread. We really do not
want to communicate a DOE position that is only applicable to some
sites. Thanks for trying to rewrite this.

-----Original Message-----
From: Podonsky, Glenn
To: Brooks, Linton; Garman, David; Desmond, William; Sigal, Jill;
Franklin, Anson; Paul, Jerry; Walsh, Bob; Sullivan, John; Grant, Susan;
Kilpatrick, Michael; Stone, Cheryl; Kolton, Anne Womack; Hodson,
Patricia J.; Kane, Michael
CC: Barker, William; Stevens, Curtis
Sent: Thu Jan 19 09:40:54 2006
Subject: Re: DBT and the budget Round II

Linton, thank you for your message. SSA continues to have serious concerns with this approach. We attempted a "red line correction" version but that did not work. What I would like to do is provide you late tonight or early Friday, an alternative to accompany your paper when you go forward to S-2 by COB Friday.

-----Original Message-----
From: Brooks, Linton
To: Garman, David; Desmond, William; Sigal, Jill; Franklin, Anson; Podonsky, Glenn; Paul, Jerry; Walsh, Bob; Sullivan, John; Grant, Susan; Kilpatrick, Michael; Stone, Cheryl; Kolton, Anne; Womack; Hodson, Patricia J.; Kane, Michael
CC: Barker, William; Paul, Jerry; Stevens, Curtis
Sent: Thu Jan 19 08:16:14 2006
Subject: DBT and the budget Round II

Here is what I propose to give Clay. It is an ESE re-write to clarify that they may be able to achieve the DBT at some sites. We got no other comments.

I will send to Clay at COB Friday saying that none of you object. Let me know if that is wrong.

Thanks, Linton

<<DBT INSERT Jan 06 (rev 3).doc>>

-----Original Message-----
From: Brooks, Linton
Sent: Tuesday, January 17, 2006 10:27 AM
To: Garman, David; Desmond, William; Sigal, Jill; Franklin, Anson; Podonsky, Glenn; Paul, Jerry; Walsh, Bob; Sullivan, John; Grant, Susan; Kilpatrick, Michael; Stone, Cheryl
Cc: Barker, William; Paul, Jerry; Stevens, Curtis.
Subject: RE: DBT and the budget

I spoke to Clay after our Friday meeting to tell him the approach we were taking on the DBT and Congress. I told him he would have something to look at when he returned from Moscow.

Clay said that he did not automatically accept the contention that the reduced funding would not permit attaining the 2005 DBT by the end of 2008. His rationale is somewhat different than Glenn's, he simply believes we don't have any idea of what we can do because we don't have good cost estimates. I told him that (a) we would get him what we had and (b) I was extremely skeptical that we could take site inputs, cut them significantly, have OMB do another 200M dollar cut and have no impact on our ability to implement the new DBT.

Clay took the opportunity to point out that we wouldn't have these kinds of problems if we had made security an indirect cost. He acknowledges my point that we can't change quickly, but I think that he is still interested in change sooner or later.

Attached is the insert that I propose for our consideration. I would appreciate it if you would provide comments to Cheryl Stone (in Bill Desmond's absence) by COB Wednesday. That will let us do one more draft and still give Adam Ingols something for Clay's welcome home package Monday night

For Cheryl Consolidate the comments and then lets talk

Thanks, Linton
-----Original Message-----
From: Brooks, Linton
Sent: Thursday, January 12, 2006 1:47 PM
To: Garman, David; Desmond, William; Sigal, Jill; Franklin, Anson; Podonsky, Glenn; Paul, Jerry; Walsh, Bob; Sullivan John; Grant, Susan; Kilpatrick, Michael
Cc: Barker, William; Paul, Jerry; Stevens, Curtis
Subject: DBT and the budget
Importance: High

As I discussed at the January 3 senior staff meeting, I have set up a meeting for tomorrow for of us to talk about a report mandated by the most recent Defense Authorization Act. The report is due in June and covers the Design Basis Threat. Specific details are set for it below.

The obvious problem is that we will be providing a report that indicates that we have not chosen to seek funding in the FY 07 budget to implement the 2005 DBT by the end of 2008. We all know that is because OMB denied funding, but since we will be defending the Administration's position, we won't be able to say that. I assume that our argument will be competing priorities. That will work pretty well on the NNSA side where I have taken major reductions in outyear projection in the interest of deficit reduction. It may work less well for the rest of the department if we actually have significant plus ups for science and nuclear energy. We will be telling the Congress that complying with the DBT is less important than either of those.

The problem may be made more complicated by the fact that we all have to submit five-year budgets. I still don't have a NNSA pass back and expect that it will only provide a control number at the appropriation level. We will be submitting a budget (I expect) that shows a huge increase in security between FY 07 and FY 08, essentially allowing us to meet DBT a year later than otherwise projected. That may or may not fly with OMB. If it doesn't that will further complicate what we say in this report.

What we need to decide now is

1. What will we say in the report in very broad terms? My recommendation is to simply say that within constrained resources we had to make priority decisions, that the DBT is the standard and that we will move toward it, but that in looking at the reality of the available resources we concluded that we would not move to it as rapidly as we would like. We should assert that the 2003 DBT (which we will meet on time) is sufficiently conservative that the delay in meeting the 2005 DBT is acceptable.

2. Second think that we need to decide -- and the thing that makes this urgent -- is what, if anything, do we say on this subject in the budget documentation and in testimony. I think there is a serious risk to our credibility if we say nothing and then send this report up around the time they are in markup. Besides, there is little chance we can avoid the subject coming up in hearings. On the other hand, without some more thought we aren't completely ready to engage, since we're defending a decision somebody else made.

My view is we should include an explicit statement in the budget documentation that to provide for higher priorities the Administration has decided not to increase funding to meet the 2008 date for the newest DBT, but that we are confident that we will comply with the 2003 date and that the risk is acceptable because the 2003 DBT is so conservative. I suspect others may have alternate views.
Anyhow, it should be an interesting discussion.

Thanks,
Linton

SEC. 3113. REPORT ON COMPLIANCE WITH DESIGN BASIS THREAT
ISSUED BY DEPARTMENT OF ENERGY IN 2005:

(a) REPORT REQUIRED.—Not later than 180 days after
the date of the enactment of this Act, the Secretary of Energy shall
submit to the congressional defense committees a report detailing plans
for achieving compliance under the Design Basis Threat issued by the
Department of Energy in November 2005 (in this section referred to as
the "2005 Design Basis Threat").

(b) CONTENT.—The report required under subsection (a)
shall include the following:

(1) A plan with associated annual funding requirements
to achieve compliance under the 2005 Design Basis Threat by December 31,
2008, and sustain such compliance through the Future Years Nuclear
Security Plan, of all Department of Energy and National Nuclear Security
Administration sites that contain nuclear weapons or special nuclear
material.

(2) A risk and cost analysis of the increase in security
requirements from the Design Basis Threat issued by the Department of
Energy in May 2003 to the 2005 Design Basis Threat.

(3) An evaluation of options for applying security
technologies and innovative protective force deployment to increase the
efficiency and effectiveness of efforts to protect against the threats
postulated in the 2005 Design Basis Threat.

(c) FORM.—The report required under subsection (a) shall
be submitted in classified form with an unclassified summary

(d) COMPTROLLER GENERAL REVIEW.—Not later than one year
after the date of the enactment of this Act, the Comptroller General
shall submit to the congressional defense committees a report containing
a review of the plan required by subsection (b)(1). In conducting the
review, the Comptroller General shall employ probabilistic risk assessment
methodology to assess the merits of incremental risk mitigation steps
proposed by the Department of Energy.