MR. PETER HUESSY: My name is Peter Huessy, and on behalf of the National Defense Industrial Association, the Air Force Association and the Reserve Officers Association of America, I want to welcome you to this our 10th seminar in our series of 30-some odd seminars on missile defense, homeland security and nuclear deterrence. A couple of announcements. Tomorrow, of course, we have Tom McInerney and Clare Lopez to talk about Iran, terrorism and the relationship between that and our interests in the Middle East.

We do have one change for next week. Jim Miller would like to re-schedule his event from 13 June to 26 July, if you’d please make note of that. Ilan Berman, vice president of the American Foreign Policy Council, has just come back from Central and Latin America and he will be discussing the connections between Iran, Hezbollah and Venezuela, and the terrorist missile threats that we face from that.

And then, of course, Jeff Sessions, the ranking member of the Budget Committee in the Senate and member of the Senate Armed Services Committee, will be speaking on the 14th. And Uzi Rubin from Israel will be talking on Friday, on the 15th. And then the following week Mark Schneider will be talking about Russian strategic nuclear weapons developments and Russian strategic deterrent thinking.

We are honored today to have Congressman Mike Turner, who was first elected to Congress in the 108th Congress, sworn in in 2003. Congressman Turner was appointed to the Armed Services Committee where he is now Chairman of the Strategic Forces Subcommittee. He assists a great deal Wright-Patterson Air Force Base, which is located in Ohio’s 3rd district. He is a member of the Air Force Caucus. He is now in his 5th term. As I said, he is Chairman of the Strategic Forces Subcommittee where he has done yeoman’s work in preserving our nuclear deterrent and our missile defense capabilities, and in particular ensuring that the commitments made by the administration under Sections 1251 of the National Defense Authorization Act are maintained, despite the budget fiscal situation we find ourselves in.

So Congressman, on behalf of our sponsors, on behalf of our guests from the Czech Republic, Russia and Great Britain that are here today, as well as members of the military and our corporate sponsors, I want to thank you for being here. Would you all give a warm welcome to Congressman Turner?

(Applause).
REP. MIKE TURNER: Well thank you. Thank you for having me this morning. And I certainly appreciate your dedication and your diligence on so many issues that are important to all of us.

I’m going to open with just a few comments on the issue of sequestration, which I know is on everybody’s agenda, and really the concern that everyone has of the tenor of the discussion that happens in Washington, the tone as people frequently will say, of the partisanship. Most of the time, people are left with a befuddlement as to how they cannot understand how work does not get done in Washington, and the issue of rhetoric. And I think you see that no more place greater than the issue of sequestration.

Frequently I will have members of our NATO allies in my office asking me what do I think will happen with sequestration. And they will frame the issue for me. They will say, the president has said that he will veto any bill that rescinds sequestration. We’re very much aware, however, that the budget that the president sends over, treated sequestration as a fiction. There was no identification as to what the effects of sequestration would be. There was also no identification of offsets to avoid sequestration.

So it places us in a situation where we have the president putting forth a budget that is a fiction, and at the same time taking a hard-line stand of a veto threat. Chairman McKeon has introduced legislation that would prevent sequestration for one year and put forth a method of paying for it. And the president, again without offering his own solution, threatens to veto it and still continues to move forward with the issue of saying that Congress should do something to avoid sequestration.

His own defense secretary has warned repeatedly just how dangerous this is. Many of you might be familiar from your experience in Washington of the Medicare doc fix where every year Congress has to scramble to find dollars to place back into the Medicare system so that doctors on a year-by-year basis can have some continuity. And every year there are news stories that tell us that doctors may not see Medicare patients and what a catastrophe that would be.

Well that annual hamster wheel is certainly not any way to try to build a plane or ships. And unfortunately, we’re in a situation where we’re having to do that annual backfill. But we are doing it in an environment without a presidential recommendation as to where the president sees offsets should occur or what the effects of sequestration would be.

And we’ve also seen, though, that Congress understands that the president’s budget that he put forth is a fiction. I don’t recall having been – so I’m not going to say never – but I don’t recall having been on the House floor where the entire board was red, where every member of the House voted no. But that’s what we saw with the president’s budget request. It did not get one single vote in the House. It did not get one single vote in the Senate. That’s pretty extraordinary, especially in an election year where the president has so many grave threats to our economy, grave threats to our national security, to have a budget that had no takers – no takers.

Well frankly, I don’t know if this is the president’s strategy, to lead from behind or his failure to lead, because he’s at the same time, putting forth no recommendations, no solutions, turning to the American public and saying Congress needs to act. Of course, Congress cannot act without some sort of
construct within which the president and the administration is at the table in order to be able for us to come to a conclusion as to what would be both acceptable to the administration and that would be preferable in light of the threats to our national security. But today, I would like to review the habit of recent example from the House Armed Services Committee where the president has, we believe, walked away from his commitments while at the same time also providing no real solutions.

As was stated, I’m the chairman of the subcommittee for strategic forces for the House Armed Services. And we said early on this year that the time has come to reform NNSA. It was clear when we saw the president’s FY ’13 budget request and when we saw the proposed delays in key programmatic promises by the president, that the NNSA wasn’t able to deliver on the president’s promises. Let me say it again, these were the president’s promises, as were stated in my introduction.

When the House Armed Services Committee offered ideas for how to help the president get those promises fulfilled, all we got were strong objections by the president’s senior advisers. The result is that the president is walking away from his promises without a fight, other than his fight with those who are trying to help him. I think it’s a logical question to ask, was the president serious about these promises that he put forth in the first place? If so, where are his alternatives?

What is it about this president who, instead of offering solutions, will block solutions and then challenge Congress and attack Congress for not solving the problems? As everyone in this audience knows, a very long series of reports over the past 10 years have documented major problems with the department of Energy and NNSA’s governance of the nuclear security enterprise. The reforms in the recent HASC bill are drawn directly from the recommendations and findings of these reports, including those of the Strategic Posture Commission, the National Academies of Science, the Defense Science Board, the Henry L. Stimson Center, the National Laboratories Director’s Council, the GAO and others.

In 1999 and 2000 the strategic forces subcommittee spearheaded the creation of the semi-autonomous NNSA to address major problems at DOE, an organization that one 1999 investigation called “a dysfunctional bureaucracy that has proven it is incapable of reforming itself.” A 1995 commission stated, quote, “Their review revealed a counterproductive federal system of operation for DOE’s national labs, citing increased overhead costs, poor morale, gross inefficiencies as a result of overly prescriptive and excessive oversight by the department, an inordinate internal focus at every level of these laboratories on compliance issues and questions of management processes, which all takes a major toll on research performance.”

NNSA was created to enable the nuclear security enterprise to address these problems and be more effective, more focused and more efficient. Twelve years after the creation of the NNSA, the question we’ve been asking this year in the subcommittee is, has it worked? According to the myriad reports, studies and experts the subcommittee has consulted, the overwhelming conclusion is no, it has not worked. Many of the same problems still exist and many have gotten worse.

The bipartisan Perry-Schlesinger Commission stated, for example, that, quote, “The governance structure of the NNSA is not delivering the needed results.” This governance structure should be
changed. The original intent of the legislation creating the NNSA has not been realized. The desired autonomy has not come into being. It is time to consider fundamental changes.

Ultimately, the commission recommended that Congress reconstitute NNSA as a wholly independent agency reporting to the president through the secretary of Energy. Others have been thinking about moving NNSA over to DOD, since DOD is increasingly funding the NNSA activities, and DOD is, of course, the customer of NNSA. Of course, the HASC took a more reserved initial approach to reform of NNSA in this year’s bill.

Yet even these modest reforms have met opposition, mostly from entrenched interests at DOE and (federal employees ?). Based on the statements of administration position on the House passed FY ’13 National Defense Authorization Bill, the administration is stuck in the status quo, apparently captive to a major constituency, all while, of course, it worries about an election year and turns to Congress and says why don’t we get anything done. What happens if these reports are stymied by a lack of presidential leadership and the inertia of bureaucratic self interest?

I can’t just say right now, of course, what would happen, but I can tell you this. It is clear that NNSA can’t be fixed within DOE. There is really only one alternative and that may be to move it. But let me review the HASC action briefly.

The HASC reforms are broken down into several discrete sections. I’d like to describe to you what they are, the direction of the committee, and why we believe that this is preferable to the ultimate conclusions that may have to be addressed of moving NNSA. These reforms, where it leaves NNSA within DOD, try to achieve the original intent of the creation of NNSA.

Section 3133 strengthens the semi-autonomous nature of NNSA. This is done by clarifying that the NNSA administrator is responsible for all programs, policies, regulations and rules of the NNSA. Other than authority to disprove any action of the administrator, neither the secretary of Energy nor his staff can interfere in the operations or management of NNSA.

This provision implements the original intent of the NNSA Act. As a special panel of the House Armed Service Committee found in 2000-2001, DOE has been undercutting the intent or the NNSA Act since the very beginning. It is time for this to end.

Section 3113 requires NNSA to eliminate transaction-based oversight of the enterprise and conduct performance-based oversight whenever possible, all while holding contractors accountable for fulfilling clear, high-level performance goals. Transaction-based oversight is strangling the innovation and efficiency of the labs and the plants. As many studies have found, it is unnecessary in most if not all cases.

NNSA needs to set clear, high-level standards and goals in both mission and operations. Then, we will audit those standards and goals. If the contractor fails to meet them, NNSA must hold them accountable.
Section 3111 caps the number of employees in the NNSA office of the administrator, resulting in a total reduction of 15 percent within two years. This reduction is an important forcing function for ensuring the shift to performance-based oversight actually occurs. With fewer federal employees, NNSA will simply be unable to do detail-based oversight any longer. This will help force the move to performance-based oversight. It will also save, ultimately, hundreds of millions of dollars that can be invested in the mission, providing the nuclear deterrent for the United States and its allies.

Section 3115 mandates that authority for establishing and overseeing policies and regulations regarding health, safety and security, resides with the NNSA administrator. It also enables flexibility regarding non-nuclear health and safety standards while providing incentives for using OSHA-based standards. The Strategic Posture Commission and many others have recommended almost exactly this position.

Contrary to criticisms we heard, this provision would strengthen safety. In military operations, we know that confused and duplicative lines of authority and responsibility lead to bad outcomes. It is the same with safety.

I believe this reform package is both comprehensive and prudent. Each part is (inter-dependent ?) with the others and collectively they address nearly all of the most critical problems identified by various studies. Most of these studies and experts have recommended full autonomy for NNSA.

I believe that the NDAA takes a more measured approach that also has a significant chance for success, if robustly implemented. However, if these reforms don’t work, or if vested interests stand in the way, or lack of presidential leadership results in the stasis that we’re currently in, I and many of my colleagues may become receptive to the more drastic reforms we have heard about, such as taking full autonomy or shifting NNSA. One way or another, we will not allow DOE’s suffocating entrenched bureaucracy or other special interests to slowly strangle our weapons program.

Reform effort come at a critical time for NNSA. The scope of work on the nuclear weapons stockpile that lays before the NNSA over the next two decades is enormous. And because it is the nuclear weapons stockpile, there is no room for failure. We have to make NNSA effective and efficient if it is going to be able to perform as the nation requires.

As I stated at the outset, why is all this necessary now? Simply put, in this budget environment the nation’s security can no longer afford the waste and mismanagement we see at NNSA and DOE. For example, in the president’s FY ’13 budget request, the B-61 life extension program would be delayed two years. The CMRR facility in Los Alamos would be deferred by at least five years, which effectively cancels the program. And the W-76 LEP would be slowed to the point that the Navy isn’t sure that it would meet the Navy’s needs. In fact, the NNSA can’t even now tell us how much it needs in FY ’13 for the W-76 life extension program.

Think about this, the agency that is responsible for ensuring the Navy can go to sea with nuclear weapons required for our country’s security, cannot tell us how much taxpayer money it needs to perform that mission this year, after the president’s budget has been submitted – and of course voted
down unanimously – and after all four committees have marked up. What’s more, NNSA currently has no multi-year budget plan; neither the 1251 plan nor even a five year budget proposal, which every other agency can put together. And NNSA has to put these together, according to law.

If you look at the FY ’13 budget cancelled or delayed: the B-61 LEP, the W-76 LEP, and the W-78, W-88 common warhead LEP, the Chemistry and Metallurgy Research Replacement facility; these were all things that the president’s policy since his 2010 Nuclear Posture Review called for, often with specific timeframes based on military advice. It was his NPR. It was his 1251 plan that stated funding levels. It was his certification in February of 2011 that reaffirmed the commitment to modernize the triad and to accelerate CMRR and UPF.

The NNSA’s failure to perform, or to be able to perform, isn’t to let the administration off the hook for the president’s failure to request what he promised for the New START Treaty. Don’t forget, the fiscal year 2013 budget request was significantly below what he promised in November 2010, and as much as $4 billion below what is projected for just the next five years in the Section 1251 plan.

And now, in a May 18, 2012 memorandum for the heads of departments and agencies from the Office of Management and Budget, there appears fresh evidence that the president’s promises aren’t going to be kept. The acting administrator of OMB instructed every federal agency, presumably including the NNSA, that your overall agency requests for 2014 should be five percent below the 2013 budget. Thus, for the second consecutive year, the president will have failed to fully fund the modernization program.

This is unacceptable and should be unacceptable to any American that believes that our nuclear deterrent still plays a role in our national security and global stability. Even if you don’t support the nuclear deterrent, like many in the arms control community, surely you don’t just want U.S. nuclear unilateral disarmament. You, of course, want Russia, China and others to come together and reduce as well.

This isn’t happening now. Only the United States is failing to modernize. Only the United States is reducing our nuclear forces.

And when the House passes a bill to attempt to fix all these problems and support, what do we get from the White House and the president? In a statement of administration policy on the NDAA, the administration said it strongly objects to the NNSA reforms contained in this bill. But where are the president’s solutions? Nowhere. He doesn’t have it.

Just like in sequestration, with his threat for a veto and his budget that continues as a fiction, there are no recommendations from the administration on how NNSA can be reformed, how these programs that are being delayed can be put back on schedule, or how the funding levels could be restored to reach the 1251 requirements. But just like on the budget, just like on sequestration, the president has offered no solutions of his own.
On May 18th, the day the House passed the FY ’13 NDAA with a bipartisan vote of 299 to 120, Chairman McKeon and I sent a letter to the president. Chairman McKeon and I recognized that the reforms in the NDAA are just one set of ideas. And in our letter, we invite the president to give his own ideas and bring those to the table so that we can work together to find a solution together.

Regardless of whether or not the administration decides to be constructive and work with us, this reform still needs to happen. I assure you that my subcommittee will continue to conduct thorough oversight of these matters in the months and years ahead, and take vigorous action if required. In a letter to the president yesterday considering the instruction from his acting OMB director, I made a simple point.

The letter states, “Mr. President, the American people deserve better. And the Congress deserves constructive alternatives when you and your administration disagree with its proposals. I ask you to start by fully funding your promises to modernize the U.S. nuclear deterrent, and to stick to the schedule you promised for fielding a modernized nuclear triad and plutonium production facilities. Finally, I urge you to provide your own alternative for how to fix the broken management and governance system of the nation’s nuclear weapons enterprise, instead of merely opposing ours.”

Time will tell if the will president steps up in this election cycle and take a bold stance. We need the president to honor his commitments. Now is not the time for timidity in the face of self-interest or special interest groups.

Failure by the president to offer up his own bold solutions lead the American people to ask whether all of this was what the president really was intending. Is this all a convenient opportunity for the president to back out of things that he never really wanted to do in the first place, like modernize our nuclear deterrent? Will he chose the security of the American people and his promises to Congress, or will he continue taking the United States alone on the road to zero.

Either way the impact is clear. Congress will fix these things. And until they’re fixed, future reductions will be off the table; whether these are the New START reductions or the reductions of the president’s ongoing mini-NPR, which were likely being (expressed ?) by Obama’s former favorite, General James Cartwright, in his Global Zero report two weeks ago.

Thank you for inviting me to speak with you today, and I look forward to your questions.

(Applause).

MR. HUESSY: Congressman, could you examine a little bit of what your thoughts are on the other parts of the strategic forces subcommittee, which is missile defense and the submarine, bomber, ICBM legs of our triad?

REP. TURNER: Let’s first go into the issue of missile defense. I think probably our biggest concern in the area of missile defense is not just the underfunding that we received from the president’s budget, [it’s] the fact that the president’s phased –adaptive approach appears to be non-implementable for a European-based Aegis type system to protect the mainland of the United States. And taking away
that the president has continued to shift the resources from the only system that can protect the continental United States, the ground-based system; we have a great deal of angst on our subcommittee of the fact that the president, recently caught in an open mic discussion with Medvedev, appears to have a secret deal with the Russians that he will not disclose to either our committee or to the American people, where he acknowledges in his open mic incident that he’ll have greater flexibility after the election.

And, of course, the letter that we received back from the White House when we inquired on this, openly stated that things are more difficult in an election. Facts and details should not be difficult in an election. The president ought to be able to step forward and state what his proposals are, what his policies are. And he ought to stand in front of the American public as he seeks re-election, and defend those.

Unfortunately, we’re in a situation where we’re not only just battling over the budget, we’re also battling over details of the administration’s failing to disclose. And the fact that the open mic caught the president with Medvedev discussing greater flexibility on missile defense, I know sent chills through our allies and many of the electorate as they saw a president who was basically stating that in his second term he’ll be able to pursue perhaps policies other than the stated policies that he’s had in his first term. That is of grave concern to us, as we try to discover what is this administration’s real policy on missile defense? At the same time, we know what Congress’ is, and that is to support a vigorous missile defense system that can respond to the emerging threats that we have in North Korea and Iran.

Now the triad. We continue to be very concerned overall about the triad. As you look to not just the submarine base but in all aspects, there are grave concerns as to whether or not there are those who wish to walk away from a policy structure that we know has made us more safe.

We look at what General Cartwright has stated and we wonder what is the inter-relationship between the policy thinkers in the White House and those statements. You know that there may be those who say perhaps we can further reduce our nuclear deterrent. So we’re going to have vigorous debates on those issues, and I think you can tell from our mark our subcommittee certainly is going to stand for strong missile defense and a strong nuclear deterrent and supporting the triad.

MR. TOM COLLINA: Tom Collina, Arms Control Association. Congressman, thank you very much for being here today. You’ve called for an East Coast missile defense site by the end of 2015. And my question is, what technology would you deploy there by that time, given that the West Coast site is having a lot of problems with missing its last two tests? It hasn’t had a successful test since 2008. If you’re talking about the SM-3 system, an ICBM capability is not in the picture. So given the choice of technologies we have, what would you see that could be deployed on the East Coast by 2015?

REP. TURNER: Well let me take issue with your generalization of the missile defense system that we currently have deployed as having failed. As you know, there are two types of missiles in our ground-based system, one of which has a 100 percent tested intercept record. The second, of course there are issues that are proceeding, so it’s not that the entire system has had failures.
We don’t specify in our bill what system would go there. What we’ve specified is that we need one and we need one there, and that’s based not on my opinion or my subcommittee’s opinion, but based upon the policy thinkers and those who have looked at the emerging threat, what is likely to be needed, and the timeframes that we’re facing. I think when you looked at the phased adaptive approach when it was first unveiled, we all knew that there was a math problem, right?

The president said 2020, the phased adaptive approach, we’ll have a missile defense system that will protect the homeland, while we all read the open intel reports that indicated that the threats from Iran, from an ICBM capability, could come as early as 2015. So there’s a gap. Now how long will that gap be?

Is 2020 really an achievable date for the phased adaptive approach technology that is, even as Senator Liebermann has described it, a paper system? Or will Iran, either with assistance or with its own ingenuity, accelerate and hit that date or perhaps one even close to it? So we have an acknowledged gap.

This administration, when they put forth their missile defense policy, stated in it that there would be a need for a hedge strategy, a hedge strategy that we’ve not seen. And we keep asking them. For two years, even in legislation, we gave them deadlines. Okay, since you’re not going to put a deadline on yourself as to what your hedge strategy is, that was stated in your own missile defense policy, we’re going to give you a deadline to get it completed.

We believe that most of those who take a look at this issue and believe that there does need to be a hedge strategy, look to the prospect of an East Coast site – and I want to tell you off the record, not off the record to you, but off the record to me – I’ve had a number of people on the other side of the aisle who have said they believe it is absolutely an inevitability and it’s going to be needed. I’m glad that we’re the first to put a stake in the ground and begin the discussion and say we need to begin this process. I believe that those who currently oppose it will ultimately be those who are going to have to be voting to build one.

Next question.

MR. HUESSY: Would a third site on the East Coast also be useful if it had interceptors capable of shooting down rockets from what the Germans say is being built in Venezuela, which is a Shahab III-type facility that can reach Miami, for example, so that you wouldn’t necessarily just have to have GBIs on the East Coast? You could defend America from coastal or maritime threats as well.

REP. TURNER: Well, you make an excellent point. And this is – anybody who reads any stories on this issue knows that missile technology is proliferating. And countries are spending massive amounts of dollars trying to seek and obtain not only missile technology but missile inventories. So it’s always amazing to me when there are people who say no one is really going to use these things. There is so much effort by other countries to build them, invest in them and acquire them, so it only makes intuitive sense that we should meet that threat. And that threat obviously is an investment in missile
defense while we have technology that currently can respond to it, and may have a need for ingenuity that evolves as the threat evolves. We should vigorously pursue it.

MS. CATHERINE CRANDEL-ROBINSON (ph): Hi, I’m Catherine Crandel-Robinson with Interactions for New Directions (ph). Thank you very much for being here Congressman, and thank you for your explanation of some of the (thorns ?) in NNSA. I wanted to ask you two questions. One is, what do you see the value and role of this DNS (ph) as being? And the other is if you can delve a little bit further into your explanation about what your concept and plan is with the building of the CMRR is, moving it to a different appropriations subcommittee?

REP. TURNER: Well, on the board I think we’re fairly clear in the bill. The bill lays out a great statement as to the advisory role that we see the work of really all aspects of the – what we’re seeing is the strangling of NNSA coming to a point of coalescing so that we can get everyone working together. With respect to the CMRR and the place it’s located, our issue is not the place where it’s located. Our issue is a recognition that DOD is providing significant funding to DOE without the ability to have oversight. They’re cutting checks without having the ability to be at the table. We just want to get, again, everybody working together so that we can get this job done. In our subcommittee, we’ve done a significant amount of work on this, as you can imagine. And many of you have either been to our hearings or perhaps testified in front of our hearings and worked with our staff. No one says this facility is not needed, in any credible way. I mean, everyone continues to say – the administration continues to say – it’s needed. And as the administration continues to say it’s needed, our whole effort is, how do we get this job done? That’s all.

Other questions? If not, I want to – one more, and then I’ll take this as the last question and leave you to your day.

MR. : (Off mic) – contributions to your House colleagues – (off mic).

REP. TURNER: Well, I think if you look at what our bill is, it is consistent from what the policies and the issues are that we have pursued from this committee. What we see is the president’s policies shifting, not ours. We stand for funding what the president has made as a recommendation. Any shifts that occur, I think the president needs to answer for.

Thank you very much.

(Applause).

MR. HUESSY: Those of you who haven’t signed up for tomorrow, please do, with General McInerney and Clare Lopez. Both are going to be talking about the connection between our counterterrorism policy, the terrorist threats we face, particularly from state sponsors, and what Iran policy looks like in the future, what options we have. If you haven’t signed up, please call Sarah and let her know.

And then next week, remember, Ilan Berman. Jim Miller is going to be re-scheduled. Then Jeff Sessions and Uzi Rubin from Israel. Thank you all for coming today and we’ll see you tomorrow.