

**Summary of Written Testimony of Adam M. Scheinman
Assistant Deputy Administrator for Nonproliferation and International Security
National Nuclear Security Administration
U.S. Department of Energy**

**Before the
United States House of Representatives Committee on Energy and Commerce
Subcommittee on Oversight and Investigations
January 23, 2008**

Summary of Major Points in Testimony

- The Global Initiatives for Proliferation Prevention (GIPP) is a nonproliferation program of the National Nuclear Security Administration (NNSA). Its purpose is to advance U.S. policy objectives by impeding access by proliferators to weapons of mass destruction (WMD) expertise. The program was established in 1994 to address the risk of Russian and Soviet scientist migration, and has evolved to address risks in other countries.
- Given improved economic conditions in Russia, and at the request of the NNSA Administrator, NNSA examined and reassessed GIPP in 2006. The assessment concluded that the program should continue, but should be oriented to address the current threat environment and the NNSA nonproliferation and nuclear security mission. The Administrator also endorsed programmatic and management changes to strengthen the GIPP program. Specific improvements include:
 - Prioritizing engagement with Russian/Former Soviet Union (FSU) institutes and facilities involved with enabling WMD technologies;
 - Recalibrating the program to advance NNSA nonproliferation and national security objectives, including technology projects that promote international safeguards, nuclear materials security, and proliferation resistance of the nuclear fuel cycle;
 - Reducing budget and uncostered balances;
 - Cancelling the Nuclear Cities Initiative;
 - Promoting the goal of project cost-sharing with partners; and
 - Continuing engagement with new partners (i.e., Libya and Iraq).
- As noted in the response letter to the GAO, NNSA agrees with many of the report's conclusions. While we note concerns, the program plans to implement many of the recommendations, or is already implementing similar reforms, to ensure a more effective program. NNSA will implement these recommendations with the understanding that scientist redirection activities are important to the achievement of U.S. nonproliferation goals.

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Thank you Chairman Stupak and Mr. Shimkus, and allow me to thank the Committee for inviting me to testify today. I welcome the opportunity to discuss the Global Initiatives for Proliferation Prevention (GIPP) program, one of a number of nonproliferation programs managed within the Department of Energy's National Nuclear Security Administration (NNSA).

The GAO review of the GIPP program raises important questions and offers a list of recommendations, many of which we support. I look forward to sharing our view of the GIPP program, especially in relation to the recently released GAO report in the course of my statement, which I submit for the record.

The need to prevent weapons of mass destruction (WMD) proliferation through engagement of weapons scientists, engineers and experts has been a consistent policy objective of successive U.S. administrations. The Department of Energy's program in this area was established in 1994, and it is identified as a goal in the President's National Security Strategy and National Strategy to Combat Weapons of Mass Destruction, both issued in 2002. The National Security Strategy calls for "strengthened nonproliferation

efforts to prevent rogue states and terrorists from acquiring the materials, technologies, *and expertise* necessary for weapons of mass destruction.”

To advance this policy goal, GIPP uses the technical expertise within the Department of Energy and the national labs to redirect former WMD personnel in other countries to peaceful, non-military work.

GIPP engages directly with personnel in Russia and former Soviet states, many of whom are employed by institutes not yet fully enjoying the benefits of the Russian economic turnaround. The program also provides the United States with an established capability to respond quickly and flexibly to emerging risks and nonproliferation opportunities in additional countries.

Through GIPP, roughly [120] projects are underway at more than [100] institutes and facilities in Russia, Ukraine, Kazakhstan, Armenia, Georgia, and Uzbekistan. Projects were launched more recently outside of the former Soviet Union, including in Iraq and Libya. Taken together, the GIPP has engaged many thousands of WMD scientists and experts – an impressive achievement that serves our nonproliferation objectives and our nation’s security.

Most GIPP projects involve a United States industry partner. Through its industry outreach component, GIPP has facilitated partnerships commercializing technologies in use today: this includes land mine detectors, needle-free injectors, prosthetics, and radio-

isotopes for cancer treatment. Russian scientists and U.S. industry both benefit from these partnerships.

At the State Department's request, GIPP responded quickly to support nonproliferation priorities in Libya following its decision to abandon all WMD programs. We also partner with the State Department in Iraq, and are prepared to engage elsewhere, including in North Korea if circumstances warrant it.

Notwithstanding our limited programs in Libya and Iraq, the bulk of GIPP work today remains in Russia. We recognize, of course, that in many respects Russia has changed in the fifteen years since scientist redirection work got underway. Russia's economy is stable and conditions in the closed cities are much improved. Accordingly, the threat of scientist migration is not one that gives us the greatest concern today.

But the absence of a high risk of scientist migration does not imply zero risk or that the job is done. To the contrary, as long as proliferation demand exists, we have a requirement to cooperate with others to impede supply, whether that involves improved export controls, better border security, or scientist engagement. Absence of high migration risk does imply, however, that the manner in which GIPP has been traditionally carried out merits some recalibration.

This is precisely the path we are on, started at the request of the NNSA Administrator roughly 18 months ago.

At the Administrator's request, GIPP conducted an internal assessment, much along the lines proposed by the GAO in its principal findings. Our conclusion was that scientist engagement is contributing to our nonproliferation goals and should continue, but oriented better to meet the current threat. It should also contribute technologies more supportive of the NNSA mission, whether that involves technology for nuclear safeguards and security or proliferation-resistant nuclear energy systems or ensuring that our partners have a good security culture, which requires engagement of scientific personnel.

The conclusion of our internal review was approved by the Administrator. Allow me to address a number of specific outcomes, nearly all of which correspond to comments in the GAO report.

First, in light of a changed threat environment, GIPP would adopt a more focused approach, emphasizing those institutes or facilities involved with enabling WMD technologies or expertise and where the program could provide a stabilizing influence.

Second, as I've alluded to, GIPP would calibrate the program to advance core NNSA nonproliferation and nuclear security imperatives. This includes directing new funds towards projects in Russia that support strengthened international safeguards and contribute to sustainable nuclear materials accountability and control, a high priority of our bilateral nuclear security agenda with Russia.

Russia will be one of our most important partners in the effort to ensure that the global expansion of nuclear power is carried out in ways that reduce proliferation risks. Russia is a leading nuclear supplier and user and has nuclear energy expertise and facilities that rival our own in the United States. Hence, we have an interest in continuing engagement with Russia to ensure that the nuclear fuel cycle evolves in ways that are safer, more secure, and less prone to proliferation than the current generation of technologies. GIPP is one vehicle that can help that process.

Third, in response to changing requirements and program improvements, GIPP reduced budget and uncosted balances. Annual appropriations peaked in 2002, when the program was funded at \$57 million. The FY 2008 budget request was \$22 million, and we are not planning for significant out-year increases. In addition, budget allocations to projects in Russia have been similarly reduced.

Fourth, the program opted to cancel its Nuclear Cities Initiative (NCI), a joint program launched during Russia's economic crisis. The program's cancellation allowed for a savings of \$10 million.

Fifth, consistent with the trend away from assistance and towards genuine partnership with Russia, GIPP determined that it would promote the principle of project cost sharing. This is consistent with a recommendation in the GAO report; we fully support it.

Taken together, these actions represent significant change that will strengthen the program.

They also complement management reforms undertaken over the past few years, including those recommended by the GAO in past audits of the program. This includes a new, automated project management system to improve internal record keeping; a reduction in the program's uncosted balances by nearly 50%; and incorporation of a "sunset clause" in GIPP project approvals to ensure that work gets started promptly and accomplished on schedule.

As the GAO recommends, there are additional steps the program can take to improve its management and process. Many are underway or will be accelerated. This includes streamlining our payment system for scientists that work on GIPP projects; updating performance metrics; improving our ability to verify the WMD *bona fides* of participating foreign scientists; and further reducing uncosted balances.

Consistent with GAO recommendations, by the end this fiscal year we also plan to update our program guidance; produce a strategic plan that will better align the purpose and implementation of the program; and more effectively articulate an exit strategy.

In fact, as noted in our response letter published in the GAO report, while we have concerns, we say that "*the report contains useful recommendations,*" and "*can be helpful*

if it helps to spur the implementation of constructive program changes.” We adhere to that position.

To be sure, we’ve not agreed to every recommendation. We do not believe, for example, that a fundamental reevaluation of GIPP is merited at this time. Nor do we believe that the program has outlived its usefulness, which the GAO report seems in places to suggest.

GIPP is modest in terms of budget – a tiny fraction of the total NNSA nonproliferation budget – but its purpose and need remain: our nonproliferation interests demand that we continue to address the proliferation threat in all its dimensions, including the risk of expertise being sought out and exploited by proliferator nations and organizations. Remaining directly engaged with these scientists through the GIPP program is an important part of the effort.

Thank you for your attention and I look forward to our discussion.