The Secretary of Energy
Washington, DC 20585

March 14, 2002

The Honorable Mitchell Daniels, Jr.
Director
Office of Management and Budget
Eisenhower Executive Office Building
Washington, DC 20503

Dear Mr. Daniels:

This letter and accompanying enclosure transmit the Department of Energy's proposal to request supplemental funding to meet urgent and compelling requirements for safeguards and security, emergency response, and energy security and assurance activities.

The Department of Energy is entrusted with the mission of designing, developing, manufacturing, assembling, stockpiling, refurbishing, decommissioning, and most importantly protecting the Nation's critical nuclear complex. To meet the Department's critical security mission, we are storing vast amounts of materials that remain highly volatile and subject to unthinkable consequences if placed in the wrong hands. These materials permeate the Departmental complex including sites under the programmatic jurisdiction of the National Nuclear Security Administration, the Office of Environmental Management, and the Office of Science.

The events of September 11 resulted in heightened security throughout the complex. Our sites were directed to conduct vulnerability assessments based on an evaluation of potential consequences of the type of event that occurred on September 11. These security vulnerabilities were assessed on a site-by-site basis and immediate action was taken to mitigate many of the concerns. As a result, the Department issued Interim Implementing Guidance to the Design Basis Threat document that outlined the basis for initial physical security measures. In conjunction with this guidance, I directed the Departmental Elements to reassess their security requirements and associated costs with a view towards maintaining the highest level of security commensurate with the revised threat and response strategy. Although the initial supplemental and funds appropriated by Congress helped respond to the most urgent near term security needs, the Department now is unable to meet the next round of critical security mission requirements.

The funding request of $379.7 million identified in the enclosure is a critical down payment to the safety and security of our Nation and its people. Failure to support these urgent security requirements is a risk that would be unwise.

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I appreciate the time your staff has spent with us in discussions about the Department's security concerns and needs. However, as you can see, we need your financial support to continue addressing the critical security requirements that face the Department and our Nation. Accordingly, if you and your senior staff need a more detailed classified briefing of our requirements, threats, and strategies, please have your staff contact Mr. Joseph Mahaley, the Department's Director of Security, at 202-586-3345.

My point of contact on the specifics of this funding supplemental request is Dr. Bruce M. Carnes, the Director of the Office of Management, Budget and Evaluation/Chief Financial Officer, who can be reached on 202-586-4171.

Sincerely,

Spencer Abraham

Spencer Abraham

Enclosure

cc: Governor Tom Ridge, Director, Office of Homeland Security

Secretary of Energy's Homeland Security Supplemental Requirements
($ in millions)

DOE	OMB	
		National Center for Combating Terrorism ($40 million):
40 0	0 0	Construct and operate the National Center for Combating Terrorism for federal-wide toxic materials training and military urban warfare training site at the underground nuclear test site in Nevada Federal military and law enforcement personnel can train at this remote site where live toxic and low-radiation materials can be used to present a realistic threat.
		Nuclear Weapons Incident Response ($19.4 million):
1 5	1 5	Maintain specially equipped aircraft at Andrews AFB and Nellis AFB on 4 hour alert for radiological detection and plume determination.
8.8	8.8	Expand radiological search and response teams and accelerate/enhance deployment of radiological search teams in major urban centers throughout the country.
2.0	2.0	Establish a permanent Capital Nuclear Emergency Response team in the National Capital Area
2.2	2.2	Establish TRIAGE, a national "911" system to provide immediate radiological assistance to local, state, and federal emergency responders.
2.0	2.0	Improve equipment for nuclear Consequence Management Teams for population monitoring, automated assessments, training, and analytical process.
1.8	1 8	Radiological monitoring for National Security Special Events in support of FBI, Justice, and Secret Service.
1.1	1.1	Expand PAGER-S program to provide portable pager-size radiation detection devices to law enforcement officials in large metropolitan areas across the country
		Secure Transportation of Nuclear Weapons ($18 million):
18.0	0.0	Increase security personnel and equipment to bolster protection for nuclear weapons shipments within the country, to include engineered container modifications that significantly increase security of U.S. nuclear warheads.

Enhanced Security of Nuclear Weapons and Materials Storage ($138.3 million):

12.0	0.0	Acquire explosive detection equipment for packages and vehicles on DOE sites which house nuclear materials.
11.0	0.0	Increase protective force equipment for security of DOE sites with nuclear weapons and materials, to include replacement vehicles, additional patrol vehicles to cover increased patrol efforts, and secure radios
13 0	0.0	Harden barriers, including vehicle and perimeter barriers, additional fencing providing additional buffer zones, portal reconfigurations, and hardening specific buildings.
9 3	0 0	Construction projects at various locations providing design and construction evaluation of additional storage facilities (vaults, tunnels, underground storage, consolidation of storage area), road relocations, public road acquisition, moving badge/access control to more secure locations, evaluating specific facility modifications, and expediting construction efforts which enhance security of nuclear materials
12.0	0.0	Perform security systems performance improvements, including additional alarms and detection equipment, evaluation and potential purchase of airborne detection equipments, expediting the updating of existing security system equipment, and improving the ability to respond to specific security events.
41.0	0.0	Consolidate special nuclear material to decrease the number of locations which must be secured This includes packaging and shipping nuclear material not essential for operations to appropriate storage sites, and increase protection of special nuclear material waiting to be shipped off-site.
30.0	0.0	Increase cyber security manpower and equipment to protect nuclear weapons contractor sites and information, enhanced and additional intrusion detection systems and site cyber security barriers, such as firewalls; enhanced capability to communicate critical cyber threat and incident information; and increased performance monitoring of information systems.
10.0	0 0	Increase cyber security manpower and equipment to protect federal nuclear weapons information systems; isolation of federal systems; and implementation of intrusion detection systems and cyber security barriers

		Counter-terrorism and Counter-intelligence ($7.8 million):
6.0	0.0	Increased support to the Information and Special Technology Program, to deter, detect, investigate, and neutralize intelligence and terrorist threats to DOE
1 8	0.0	Federal staffing for oversight and management of counter-intelligence, counter-terrorism, and safeguards and security
		Energy Security/Infrastructure Assurance ($7.0 million)
4.2	4 2	Working with the private sector to anticipate and assess security vulnerabilities of the nation's energy infrastructure, conduct vulnerability assessments at significant energy infrastructure sites across the country.
1.8	1 8	Conduct energy emergency exercises and emergency planning conferences with state, local, and private sector officials and to develop and disseminate training materials to state, local, and private sectors.
1.0	1.0	Federal participation in the above.
		Physical Security and Other Enhancements ($12.8 million)
5 5	0.0	Physical protection for DOE's headquarters facilities, to include permanent vehicle barriers, additional protective force officers, surveillance cameras, explosive detectors, chemical/biological detectors, radios, radiation pagers, x-ray equipment, and 2 canine explosive detection units.
6.5	0.0	Protective force training enhancements, to include 350 new security offices and upgrades to the live-fire training range.
0.8	0 0	DOE assistance to the International Nuclear Analysis Program to enhance U.S. capabilities in tracking nuclear materials worldwide.
		Isotope Production ($1.5 million)
1 5	0 0	Due to enhanced homeland security requirements at airports and other sensitive locations, devices that have the ability to accurately detect explosives and other risky volatile products are in high demand worldwide. DOE has identified the need to produce additional nickel-63 for homeland defense needs in the immediate future

		Physical Security of DOE Science Facilities ($34.1 million)
34.1	0.0	DOE has identified the need to increase the protective force presence at critical ingress and egress points at its science labs and to install temporary physical barriers, implement physical security upgrades, deployed surveillance and screening equipment, and increase cyber-security.
		Physical Security at DOE Nuclear Weapons Cleanup Sites ($100.8 million) where there are tons of deadly radioactive and other highly toxic materails in above-ground storage.
18.0	0.0	Idaho National Engineering and Environmental Laboratory
2.1	0.0	Oak Ridge National Lab, Tennessee
11.5	0.0	Hanford, Washington
53.9	0.0	Savannah River, South Carolina and Georgia
5.5	0.0	Miamisburg, Ohio
9.9	0.0	Rocky Flats, Denver Colorado
379.8	**26.4**	**Grand Total (OMB funded 7 percent of the DOE's stated requirement)**

Department of Energy
Washington, DC 20585

MAR 28 2002

Mr. Marcus Peacock
Program Associate Director,
Natural Resources, Energy and
Science Division
Office of Management and Budget
Eisenhower Executive Office Building
Washington, DC 20503

Dear Mr. Peacock:

The Department of Energy is now at a crucial juncture in executing our safeguards and security program. The Department's remaining safeguards and security budgets are not sufficient to implement the security posture requirements that appropriately respond to the September 11th attacks. On March 14, the Secretary transmitted to Director Daniels supplemental funding proposals for safeguards and security, emergency response, and energy security. The Secretary's transmittal letter described the underlying need to increase our response capabilities for emergencies and improve the security posture of Department in order to adequately protect the public, our workers, and the environment. We appreciate your support for our $26.4 million supplemental request to increase emergency response efforts, however, we are very disappointed that we did not get your support for supplemental security funding.

We are disconcerted that OMB refused our security supplemental request. I would have much preferred to have heard this from you personally, and been given an opportunity to discuss, not to mention, appeal your decision. We were told by Energy Branch staff that the Department's security supplemental proposals were not supported because the revised Design Basis Threat, the document that outlines the basis for physical security measures, has not been completed. This isn't a tenable position for you to take, in my view. We are not operating, and cannot operate, under the pre-September 11 Design Basis Threat. Until that is revised, we must operate under Interim Implementing Guidance, and you have not provided resources to enable us to do so.

Given our current security funding and the physical security situation we face today, Mr. Joseph Mahaley, our Security Director, and I would like to meet with you to discuss our fiscal year 2002 and 2003 safeguards and security concerns. I can be contacted on (202) 586-4171 to arrange this discussion.

Sincerely,

Bruce M. Carnes
Director, Office of Management, Budget
and Evaluation/Chief Financial Officer

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