September 13, 1996

The Honorable Frank H. Murkowski
Chairman
Senate Energy and Natural
Resources Committee
SD-364 Dirksen Senate Office Building
Washington, D.C. 20510-6150

Dear Chairman Murkowski:

During my testimony before your committee, on September 4, 1996, concerning the Department of Energy (DOE) Abolishment Act (S.1678), Senator Grams asked several questions: (1) whether it was possible to increase the level of technical competence in the nuclear weapons complex in a downsizing environment; (2) the relative advantages that accrue to a joint DOE- DoD directorate for nuclear weapons programs, as I had recommended in my testimony; and (3) whether I believed that cost savings could be accrued by consolidating DOE functions. My response to each of these questions follows:

Increasing the Level of Technical Competence in the Nuclear Weapons Complex in a Downsizing Environment

This formidable task can be accomplished within the structure of a newly constituted directorate with a centralized personnel management system in which legislation empowers the manager with the required tools to select and retain technically competent personnel. Several policy changes would be needed to provide the manager of the directorate with the needed personnel authorities. The directorate manager must have the ability to hire competent personnel through the use of rigorous entry requirements and competitive incentives, while not being encumbered by current civil service selection requirements. The directorate must also have a program for recruiting the best educated graduates into this important enterprise. At the same time the directorate must have the ability to set the expected level of performance, provide for a meaningful evaluation of performance, and out-place those personnel that do not achieve their potential in job performance. Concurrent with this effort, the directorate manager must have a range of incentive programs to retain the required numbers of proven, technical personnel.

Current civilian service regulations would require hiring personnel for positions within the directorate who are currently in similar positions within the Department of Energy. Since I believe the current most critical safety problem is lack of sufficient numbers of technically competent personnel within the defense nuclear weapons complex, this mass transfer of incumbent personnel from the DOE to this new directorate would not result in the needed upgrade in personnel capabilities. The directorate manager must be able to select only the most technically qualified, proven personnel. This can best be accomplished by the use of excepted service authority, which has a proven track record for recruiting technical personnel for work in government agencies such as the Nuclear Regulatory Commission and the Defense Nuclear Facilities Safety Board. Excepted service also allows the use of more rigorous technical selection criteria than traditional civil service regulations. Sufficient excepted service authority authorization should be provided to have all technical personnel be excepted service. Special authority could be provided to offer "buyouts" to DOE defense nuclear complex employees who are not selected for new positions in this directorate in lieu

of Reductions in Force (RIFs).

A program of advanced education would act as an incentive for attracting young technical talent. It also is important that sufficient numbers of young, technically competent personnel be hired annually to provide a source for developing and training the future managers and technical staff of the nuclear weapons directorate. This strategic personnel investment program should be managed centrally to ensure personnel with the best academic backgrounds are influenced to accept employment in this important section of the government.

Concurrent with the above recruitment effort is the need for a centralized personnel management program to maintain the quality of the workforce. For this the directorate manager needs tools to provide the incentives for retaining the best personnel and the authority to remove those who do not achieve their expected potential.

It is essential that the directorate manager have the ability to move personnel out of the organization who are not performing at the expected level. Only through a positive mechanism can the manager, with reasonable effort, keep only the competent performer within the organization while ensuring the availability of space in the organization for capable personnel in sufficient numbers. It is recommended that the manager be authorized to hold periodic (annual or less frequent) out-placement boards that would be similar to those used by the military during the downsizing of the Department of Defense (DoD) within the last decade. They would consist of several senior managers who would review personnel performance data and records and recommend to the directorate manager those personnel to be removed from the directorate. The directorate manager should be empowered to out-place identified personnel.

Legislation should provide for employees to be out-placed by transferring them to temporary positions with less demanding duties for a period of one year. During this time, such employees would be provided with job counseling to aid in their search for other employment opportunities in government or the private sector. Equitable "buyout" offers would also be available to assist in the out-placement of employees. At the end of the one year temporary assignment period, employees who have not found other employment or accepted a "buyout" offer would be terminated from the directorate.

To enable personnel to improve their technical competence, to remain abreast of technical progress, and to match the greater responsibilities that come with increased seniority, the opportunity for advanced education is essential. Accordingly, resources should be provided to fund a selected portion of the workforce to pursue advanced education, which would act as a recruitment as well as retention incentive.

Central control of the hiring and assignment of personnel is essential to ensure that personnel technical qualifications are consistent across the complex. This would consist of the directorate manager having authority to approve/disapprove the hiring of all senior technical managers and establish consistent hiring criteria and evaluation methodology. The directorate should be required to develop a model of the required level of competence for each level of management and a plan for recruiting and maintaining a workforce to meet the education and experience requirements of this model. The directorate manager should be empowered to set pay policy for excepted service so as, in conjunction with the out-placement boards and the use of incentives, to achieve the desired rates

of retention to provide for the proper mix of experience and education.

A consistent evaluation system under the control of the directorate manager must be established to set expectations for performance and to compare performance across the complex. A program to validate the technical capabilities of the staff will be necessary and may require legislation to be made mandatory. This program would consist of academic subject review, technical training, and comprehensive examination.

Advantages Inherent in a Joint DOE-DoD Nuclear Weapons Directorate

First and foremost, a joint directorate will allow the government to concentrate all of its available nuclear weapons talent, both military and civilian, in a unified organization to solve the problems presented by trying to maintain a safe, reliable nuclear weapons stockpile without underground nuclear testing. Presently, technical direction for nuclear weapons complex activities comes from several offices within DOE and some in DoD, with only loose coordination. A joint directorate with "cradle to grave" responsibilities for nuclear weapons would be able to provide firm technical and programmatic guidance in what is a very turbulent time for the nuclear weapons complex. This is an advantage that has been abundantly demonstrated in the joint DOE-DoD naval nuclear propulsion program for decades.

Further, it will be recalled that DoD's Assistant to the Secretary (Atomic Energy) testified before the committee, "The best and brightest officers do not put their career on the line in a declining mission. They'll go elsewhere." He did not say whether either DoD or the individual services recognized that this situation is unacceptable and if steps were being taken to correct it. The military services know how to make career paths not only acceptable, but sought after by the use of suitable inducements like pay and promotion and by a variety of other methods. There are abundant examples of incentives provided, including, but not limited to: early promotion (for ship's engineer officers on nuclear-powered ships), flight pay (for pilots), or sea pay (for extended deployments in the sea services). Thus, one of the first objectives of a newly established directorate would be to attend to the development of clear, viable career paths within the services, which entail multiple tours within the directorate. Achieving this goal would help lead to a revitalization of the nuclear weapons expertise among military officers and enlisted personnel.

The joint directorate concept also provides for a balance between the safety and weapons development capabilities of the DOE and the military nuclear weapons needs of the DoD. The coordination by a joint directorate of both of these objectives ensures the optimum technical advances, while meeting national security needs within the constraints of safety and cost. To put one of these organizations in complete charge of the development, storage, and delivery of these weapons runs a significant risk of skewing the nuclear weapons program in a direction that would not serve the nation's best interest.

The Potential for Cost Savings with a Joint DOE-DoD Nuclear Weapons Programs Directorate

As regards actual cost saving, only the implementation of various recommendations will show whether savings accrue. I believe that the personnel reforms discussed above will lead to a leaner and more effective directorate staff. In addition, I think that several management efficiencies are

inherent in a joint directorate.

A joint directorate would operate to reduce the need for special organizational arrangements like committees to assure coordination between agencies. At the present time there are several of these between DOE and DoD dealing with weapons related activities. A well- managed joint organization should, by its very nature, be devoid of the need for such arrangements. Elimination or reduction of the number of such committees should result in significant savings of technical staff time.

A joint directorate would further eliminate inefficiencies of the type, often found in military organizations, where officers are too often transient managers who must rely on permanent cadres of civilian technical personnel to perform their functions. By contrast, in the Naval Reactors organization, there is no such duplication. Personnel, whether military or civilian, are assigned to positions based solely on the bases of ability to meet position requirements. This contributes to economy of use and effectiveness.

Finally, in a joint directorate of the kind proposed, military personnel qualified in weapons technology would be expected to serve in assignments longer than is customary in military organizations with transient military managers. This would further conserve manpower and enhance the experience and effectiveness of those so assigned.

In concluding I would like to thank the committee for the opportunity to testify on the important subject of the continued missions of DOE. I believe that the amplifying discussion provided above reinforces the case, made in my written testimony, for a joint nuclear weapons directorate reporting to both the Secretaries of Energy and Defense. I would be pleased to provide additional information, as you may desire.

Sincerely,

John W. Crawford, Jr.
CAPT, USN (Retired)
Board Member

c:Senator J. Bennett Johnston
Senator Rod Grams