Statement by Ambrose Schwallie
President, Westinghouse Savannah River Company
Before the U.S. Senate Committee on Armed Services
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Thank you Mr. Chairman. My name is Ambrose Schwallie.

I'm President of Westinghouse Savannah River Company.

We manage and operate the Savannah River Site near Aiken, South Carolina … under a contract with the Department of Energy.

It's my pleasure to be back before you again … to offer my perspective as a plant contractor … on some of the issues we face during this crucial period of deliberation … on the future of our nuclear deterrent capability.

As the nation's sole producer of tritium since the first hydrogen weapon was made … the men and women at Savannah River have adjusted … to the new demands of a shrinking stockpile and shrinking budgets.

Today, we're continuing to adjust with a sharp eye on the futu – often 20 … 30 … 40 years out – working to make sure we're prepared to deal with whatever our national defense requirement call for in time.

Over the past several years, we've flexibly adapted our tritium operations by:

1. **Consolidating capabilities from Mound and older facilities at SRS … while also repairing and refurbishing our aging suppor infrastructure …**

2. **Successfully bringing new processing facilities on line … to service a new generation Tritium reservoir …**

3. **Completing conceptual design work for a facility to extract tritium from light water reactor targets … when a new, virgin-tritium-production capability is needed ...**

4. **Preserving critical skills and competencies in an aging workforce ... and …**

5. **Working with the other four Defense Program sites … and the national labs … to identify opportunities to reduce costs and improve efficiency … at all of our operations … to fit more scope and capability in our tightening budget dollars.**

And we're doing all of this … while continuing to meet our decades-old record of 100-percent on-time delivery of tritium … without a single reliability problem in the field.

First, consolidation and infrastructure upgrades …

Since completing our new underground loading facility in 1994 … we've consolidated tritium facilities from around the country … and the site … for more efficient and focused operations.

This includes absorbing the reservoir surveillance mission formerly done at Mound … all within our existing operating budgets.

In addition … we're upgrading other parts of our tritium infrastructure … to modernize processes and facilities.

It's something we need to continue to do over the next few years … to replace 30-year-old technology … such as mechanical gauges and manual devices … with faster and more precise optical readers and computer-assisted equipment.

We've utilized the appropriations you've provided us over the past several years to install new heating, ventilation and air conditioning systems … state-of-the-art distributive control systems … Year-2000-compliant computer systems … and to replace other old facilities … where growing maintenance costs were overwhelming our operational budgets.

Related to these activities … we built and activated a new tritium loading line … to service the nation's newest-designed tritium reservoirs.

The first of those new reservoirs … already have been deployed to weapons systems in the field.

We accomplished this task ahead of schedule … and under budget … and absorbed the operational costs within our existing budgets.

As Secretary Reis pointed out … we're actively supporting the efforts to bring a new light water reactor tritium production capability on line by the year 2006.

This year we've completed conceptual design … baseline development and preliminary site preparations for a new tritium extraction facility.

Throughout that process … we've leveraged our unique production and engineering know-how … to make sure the new system is efficiently integrated with our existing tritium plant.

We're now ready for more detailed design work to begin.

And we're continuing R&D on a new extraction furnace.

But while we have made progress building the tritium complex of the future … we still have work to do.

One of our major, on-going concerns … is the recruitment and retention of people … with the critical technical skills needed to adequately maintain that capability.

As you know … the down-sizing of the past five years … has drawn down our numbers in some key technical areas.

At the same time … our ability to hire replacement talent … ha been constrained by limited funding … and perceived uncertainty about the future.

We continue to work that issue as hard as we can … within current funding … not only within the context of our site's needs … but also as they relate to the needs of the other Defense Progra sites.

As I said at the outset … we are working collaboratively with the other DP Sites and the national labs … to deal with staffing an talent issues … along with several other aspects of our business … to identify new efficiencies and to continue to do more with less.

Cross-functional task teams … are working in five strategic areas: People … Technology … Facilities and Equipment … Business Processes … and Integration Strategies.

Already, at Savannah River … we've identified automated inspection systems at Kansas City … that should provide great advantages at our operations as well.

In return … Kansas City is looking at digital radiography capabilities at Savannah River … that should be able to bring rea time, computer-enhanced improvements to their processes.

We've also identified opportunities to pull our combined leverage with common vendors … to generate greater savings and maintenance and operational efficiencies.

In addition … we're looking at common budgeting and costing models … to more easily identify savings … and allow more effective prioritization of initiatives … from one DP operation to another.

These initiatives … along with the funding support you've provided us over the last three years … are providing us with substantial and measurable benefits.

However … as I said earlier … more work needs to be done to position us for the stockpile stewardship responsibilities we have i the coming decades.

Parts of our tritium infrastructure continue to age.

Any additional funding you can provide today … will pay big dividends in the future … not only in what it does to move us mor quickly towards the tritium production complex for the new millennium … but also in what it will do to help us attract the new talent we need to support it.

With Savannah River's mix of technical, engineering and operational expertise ... combined with our integrated nuclear facilities and infrastructure ... your active interest and support … and working more closely than ever in partnership with other Defense Program sites and labs … we are well positioned to help DOE in meeting its stockpile stewardship.

In closing … the men and women at Savannah River have demonstrated through many accomplishments over the years … their strong dedication to meeting our Nation's Security needs.

We stand ready … and are committed … to meeting those need well into the future.