

**Written Statement of Bart Stupak, Chairman  
Subcommittee on Oversight and Investigations  
“Combating Nuclear Proliferation: The Effectiveness of the  
Department of Energy’s Initiatives for Proliferation  
Prevention (IPP) Program”  
January 23, 2008**

Protecting the United States from a nuclear attack is one of our top priorities. Last year this Subcommittee examined our ability to detect radioactive material being smuggled across our borders. Today’s hearing will examine efforts to prevent the proliferation of weapons of mass destruction. Our subcommittee intends to hold additional hearings this year to explore whether our government is doing enough to control, interdict and secure “loose nukes” and other weapons of mass destruction throughout the world.

There have been several recent examples of nuclear material and knowledge falling into the hands of dangerous individuals. In 2007 enriched uranium was interdicted in Eastern Slovakia and Hungary. In 2006, stolen Highly Enriched Uranium (HEU) was seized in the former Soviet Republic of Georgia.

Last year, North Korea exploded its first nuclear device in their continued quest to develop nuclear bombs. Where did North Korea obtain their nuclear expertise? From the rogue metallurgist behind Pakistan’s nuclear weapons program, Dr. A.Q. Kahn. Dr. Kahn not only sold nuclear technology to North Korea, but also to Libya, Iran and a fourth recipient whose identity has not yet been disclosed. Unfortunately, even though the U.S. provides Pakistan with more than \$1 billion per year in aid, the Administration has apparently been unable interview Dr. Kahn to unlock all of the secrets about his proliferation activities -- information that could prevent the spread of nuclear weapons to other nations or terrorists.

At the end of the cold war it was estimated that the Soviets employed 50–60,000 nuclear experts, 65,000 bio-weapons professionals, and 6,000 chemical weapons experts. After the collapse of the Soviet Union in 1991, many of its weapons scientists and engineers suffered significant cuts in pay or lost their government supported work. In response to the national security threat that unemployed or underemployed scientists would sell their knowledge to terrorist groups or countries of concern, the United States Department of Energy (DOE) established the Initiatives for Proliferation Program (IPP) in 1994. The IPP was developed as a means to engage and transition WMD scientists into peaceful commercial activities. The State Department operates a parallel program by helping former WMD institutes retain Soviet era scientists in new missions using two science centers—one in Russia and one in the Ukraine.

Nine years ago, the Government Accountability Office (GAO) studied the effectiveness of the IPP and issued a report that was critical of the program. The February

1999 report found that 63% of the money was spent in the United States, with more than half of the money going to DOE national labs. Only 37% of IPP funding went to Russian scientific institutes. Overheads, taxes and fees further reduced the amounts actually reaching Russian scientists.

In response, Congress modified the program, capped spending at the national laboratories to 35%, and required the Energy Secretary to review projects for commercial potential and terminate those which “are not likely to achieve their intended commercial objective.”

Today we will hear the results of a new 15 month GAO follow-up audit which, it appears, is even more critical than their 1999 review. For example, GAO found that 54% of those hired on IPP projects it audited did not claim experience with Weapons of Mass Destruction – the key goal of the IPP program. GAO also found that despite the fact that the State Department has “graduated” 17 institutes from *their* proliferation program because they determined that these institutes were self sustaining, the DOE has continued to fund 35 projects in Russia and Ukraine at those 17 institutes. The GAO investigation questioned whether the IPP program *may actually be contributing* to the proliferation of WMD since its funds have been used to recruit and retain new scientists who are too young to have worked on Soviet era WMD programs. At the same time, GAO also noted that some of the former weapons institutes being assisted by IPP are enjoying new found prosperity. One has a marble lined foyer with an art collection thanks to a gift from a former scientist. This begs the question of whether the institutes need U.S. funding to sustain employment for their scientists.

I hope to learn answers to a number of questions provoked by the GAO report:

1. Why is DOE funding projects at former Russian weapons institutes which the State Department has “graduated” from its programs because they do are now self sufficient?
2. Has DOE performed an up-to-date detailed risk assessment of the former Soviet Union Institutes and targeted its funds only to those sites where there is a risk of a brain drain to WMD proliferators? If not, what is the basis for DOE’s funding decisions over the past 14 years?
3. Why is DOE funding projects which recruit, hire and retain scientists at institutes who were too young to be involved with Soviet-era WMD programs?
4. Does DOE have a reliable means for validating the past work history of the scientists participating in its programs?
5. Should DOE follow the lead of the State Department and formulate an exit strategy for institutes and countries as they become self-sustaining?

6. In light of Russia's increased prosperity, would Russia fund their Soviet-era WMD scientists, if the U.S. redirected these non proliferation funds to higher-risk countries?
7. Why is DOE Initiatives for Proliferation Prevention providing funding for six projects under the Global Nuclear Energy Partnership (GNEP)—a DOE program to reprocess spent nuclear fuel and develop fast reactors, especially now that the National Academy of Sciences has found that that GNEP cannot be commercialized in any foreseeable timeframe?
8. Is DOE funding any GNEP projects in Russia involving the transfer of technology related to the reprocessing of irradiated nuclear fuel? Does this transfer of this technology violate U.S. proliferation safeguards under the Atomic Energy Act, which requires an Agreement for Cooperation with Russia which has to be approved by Congress in advance?
9. In light of a number of large and successful commercial joint ventures set up by industry without IPP assistance, could the private sector do an equal or better job than the IPP program in industrial partnering projects?

Let me make this point clear, however. The cooperative threat reduction programs run by the State Department and the DOE are valuable. The IPP program, in particular, has given former Soviet scientists a reason not to sell their knowledge to state or terrorist actors who want to develop a nuclear device. While the non proliferation mission is important, it is imperative that we assess DOE's past performance and future strategy to determine whether the projects funded by the IPP program are continuing to provide the intended non- proliferation benefits.