

# NUCLEAR WASTE

## QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Department of Energy
- **FUMBLE:** Poor contract oversight leading to billions of dollars in cost overruns
- **HOW TO RECOVER THE BALL:** Require the DOE to assess what causes projects to run significantly over time and over budget to prevent future runaway spending

How many warnings of poor project management should be necessary for a federal agency to stop wasting billions of dollars? Apparently, DOE needs more than 25.

DOE contracting management has spent 25 years on GAO's high-risk list, which flags areas of government at risk for runaway spending and unnecessary duplication.<sup>313</sup> Many prime examples of poor oversight come from the National Nuclear Security Administration (NNSA) and show these mistakes are not simply rounding errors on the federal government's budget sheet. NNSA's Mixed Oxide (MOX) Fuel Fabrication Facility project, which would enable the disposal of excess weapons plutonium, was estimated to cost \$1 billion in 2002. By 2014 the project ballooned to exceed \$7.7 billion, and the timeline for completion was delayed by years.<sup>314</sup>

What is troubling is the agency does not appear to learn from these experiences. GAO recommended that NNSA prevent these types of cost escalations and delays by performing a root-cause analysis for projects exceeding their

budget or projected timeline by an agency-specified amount in order to assess whether any systematic causes can be avoided in the future.<sup>315</sup> NNSA disagreed with this recommendation, preferring instead to look at budget and timeline problems on a case-by-case basis. It should come as no surprise that in a joint NNSA-DOD project to extend the life of B61 weapons, NNSA realized last year it would cost \$3.6 billion more than expected, and NNSA had not fixed its problem.<sup>316</sup>

## RECOVERY

When American families start projects, like remodeling their homes they likely start by ensuring their plans fit within their budget. If part of the project starts to cost too much and goes over budget, the family will likely reconsider the project or stop. Congress should help DOE undertake a similar review of its projects to find why cost estimates and timelines have been so badly forecast. Going forward DOE should also ensure it fully analyzes projects to accurately predict costs and times for completion.

***For more information, please visit:***

[GAO: High-Risk Series: An Update](#)

[CRS Report: Mixed-Oxide Fuel Fabrication Plant and Plutonium Disposition: Management and Policy Issues](#)

[GAO: Testimony Before the Subcommittee on Strategic Forces, U.S. Senate Committee on Armed Services](#)