

Highlights of [GAO-13-482T](#), a testimony before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives.

## Why GAO Did This Study

DOE and NNSA are responsible for managing nuclear weapon- and nonproliferation-related national security activities in national laboratories and other sites and facilities, collectively known as the nuclear security enterprise. Major portions of NNSA's mission are largely carried out by contractors at each site. GAO has designated contract management of major projects (i.e., those \$750 million or more) at DOE and NNSA as a high risk area. Progress has been made, but GAO continues to identify security and safety problems at DOE and NNSA sites as well as project and contract management problems related to cost and schedule overruns on major projects.

This testimony addresses DOE's and NNSA's oversight of (1) security performance, (2) safety performance, and (3) project and contract management in the nuclear security enterprise. It is based on prior GAO reports issued from August 2000 to December 2012.

DOE and NNSA continue to act on the numerous recommendations GAO has made to improve management of the nuclear security enterprise. GAO will continue to monitor DOE's and NNSA's implementation of these recommendations.

View [GAO-13-482T](#). For more information, contact David C. Trimble, (202) 512-3841 or [trimbled@gao.gov](mailto:trimbled@gao.gov)

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# MODERNIZING THE NUCLEAR SECURITY ENTERPRISE

## Observations on DOE's and NNSA's Efforts to Enhance Oversight of Security, Safety, and Project and Contract Management

### What GAO Found

The Department of Energy (DOE) and the National Nuclear Security Administration (NNSA), a separately organized agency within DOE, continue to face challenges in ensuring that oversight of security activities is effective. For example, in July 2012, after three trespassers gained access to the protected security area directly adjacent to one of the nation's most critically important nuclear weapon-related facilities, the Y-12 National Security Complex, DOE and NNSA took a number of immediate actions. These actions included repairing security equipment, reassigning key security personnel, and firing the Y-12 protective force contractor. As GAO and others have reported, DOE has a long history of security breakdowns and an equally long history of instituting remedies to fix these problems. For example, 10 years ago, GAO reported on inconsistencies among NNSA sites on how they assess contractors' security activities and, since that time, DOE has undertaken security initiatives to address these issues. GAO is currently evaluating these security reform initiatives.

DOE and NNSA continue to face challenges in ensuring that oversight of safety performance activities is effective. DOE and NNSA have experienced significant safety problems at their sites, and recent efforts to reform safety protocols and processes have not demonstrated sustained improvements. Long-standing DOE and NNSA management weaknesses have contributed to persistent safety problems at NNSA's national laboratories. For example, in October 2007, GAO reported that nearly 60 serious accidents or near misses had occurred at NNSA's national laboratories since 2000. DOE has undertaken a number of reforms to address persistent safety concerns. For example, in March 2010, the Deputy Secretary of Energy announced a reform effort to revise DOE's safety and security directives. However, GAO reported in September 2012 that DOE's safety reforms did not fully address continuing safety concerns that GAO and others identified in the areas of quality assurance, safety culture, and federal oversight and, in fact, may have actually weakened independent oversight.

DOE and NNSA have made progress but need to make further improvements to their contract and project management efforts. DOE has made progress in managing nonmajor projects—those costing less than \$750 million—and in recognition of this progress, GAO narrowed the focus of its high-risk designation of DOE's Office of Environmental Management (EM) and NNSA to major contracts and projects. Specifically, as GAO noted in its December 2012 report on 71 DOE EM and NNSA nonmajor projects, GAO found the use of some sound management practices that were helping ensure successful project completion. However, major projects continue to pose a challenge for DOE and NNSA. For example, in December 2012, GAO reported that the estimated cost to construct the Waste Treatment and Immobilization Plant in Washington State had tripled to \$12.3 billion since its inception in 2000, and the scheduled completion date had slipped by nearly a decade to 2019. Also, in March 2012, GAO reported that a now-deferred NNSA project to construct a new plutonium facility in Los Alamos, New Mexico, could cost as much as \$5.8 billion, a nearly six-fold cost increase.