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DOE'S MOUNTING CLEANUP COSTS:

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BILLIONS IN ENVIRONMENTAL LIABILITY AND GROWING

5

WEDNESDAY, MAY 1, 2019

6

House of Representatives

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Subcommittee on Oversight and Investigations

8

Committee on Energy and Commerce

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Washington, D.C.

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The subcommittee met, pursuant to call, at 10:31 a.m., in Room 2322 Rayburn House Office Building, Hon. Diana DeGette [chairwoman of the subcommittee] presiding.

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Members present: Representatives DeGette, Schakowsky, Kennedy, Ruiz, Kuster, Castor, Clarke, Pallone (ex officio), Guthrie, Burgess, Griffith, Brooks, Mullin, Duncan, and Walden (ex officio).

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Staff present: Mohammad Aslami, Counsel; Kevin Barstow, Chief Oversight Counsel; Chris Knauer, Oversight Staff Director; Jourdan Lewis, Policy Analyst; Perry Lusk, GAO Detailee; Jon Monger, Counsel; Elysa Montfort, Press Secretary; Meghan Mullon, Staff Assistant; Kaitlyn Peel, Digital Director; Nikki Roy, Policy Coordinator; Jennifer Barblan, Minority Chief Counsel,

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26 O&I; Margaret Tucker Fogarty, Minority Staff Assistant; Brittany
27 Havens, Minority Professional Staff, O&I; Peter Kielty, Minority
28 General Counsel; and Alan Slobodin, Minority Chief Investigative
29 Counsel, O&I.

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30 Ms. DeGette. The Committee on Oversight and Investigations
31 will now come to order. Today, the Committee on Oversight and
32 Investigations is holding a hearing entitled, "DOE's Mounting
33 Cleanup Costs: Billions in Environmental Liability and Growing."

34 The purpose of the hearing is to discuss the DOE's
35 management of its environmental cleanup program and significant
36 increases in environmental liabilities over the years.

37 And I will note before we start that there is another hearing
38 going on downstairs in the Energy and Commerce Committee. There
39 is also a full committee markup going on in Natural Resources.

40 So people will be coming in and out but it doesn't mean that
41 they are not paying attention. The chair now recognizes herself
42 for purposes of an opening statement.

43 Today, we continue the Subcommittee on Oversight and
44 Investigations' longstanding efforts to oversee the Department
45 of Energy's management of its environmental cleanup programs.

46 Over the course of the Cold War, the United States developed
47 an industrial complex to research, test, and produce nuclear power
48 reactors and weapons. This effort left behind thousands of tons
49 of radioactive waste, and contaminated soil and water at sites
50 nationwide, and the United States government is financially
51 liable for cleaning it up.

52 It now estimated that it will cost hundreds of billions of
53 dollars to do so. The Department of Energy's Office of
54 Environmental Management, or EM, is largely responsible for this

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55 difficult task.

56 It does this by managing contractors and complex cleanup
57 operations at sites across the United States. I know how
58 important this work is because there is just one of these sites
59 up the road from my district, the Rocky Flats Plant in Colorado.

60 The good news is that over the prior decades, EM has
61 successfully cleaned up Rocky Flats and many other sites. The
62 bad news is that they have -- there are 16 remaining sites which
63 still need major work and are, arguably, the most challenging
64 and costly to clean up.

65 On top of that, the estimated cost to address these remaining
66 sites is large and quickly growing. For example, according to
67 GAO, EM's environmental liability grew by a total of \$214 billion
68 since just 2011 and, as of 2018, this figure had climbed to a
69 staggering \$377 billion.

70 During this same period, EM spent \$48 billion on cleanup
71 efforts, which means that environmental liability is growing at
72 a faster rate than DOE's spending and, possibly, even its ability
73 to clean up these sites.

74 The GAO has told the committee that this growing liability
75 poses not only a financial risk to the taxpayer, but possibly
76 to cleanup operations if corners are cut or important tasks are
77 deferred to future dates due to costs.

78 Over the last few decades, this committee, the GAO, and
79 others have raised numerous concerns about DOE's management of

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80 these cleanups. Unfortunately, many of the same concerns and
81 questions continue to this day.

82 In 2017, and again this year, GAO included the federal
83 government's environmental liabilities to its "high risk" list,
84 which are those federal programs that are most at risk to fraud,
85 waste, or mismanagement.

86 But this should come as no surprise. Over the years, GAO
87 has raised numerous concerns about DOE's EM office. Even today,
88 GAO will testify that DOE has not conducted a formal analysis
89 to fully understand the root causes of why these environmental
90 liabilities are growing each year by tens of billions of dollars.

91 If they don't understand what is driving costs, it is
92 difficult to believe how they can fully control them. The GAO
93 will also report that EM is still failing to follow best program
94 and best project practices, like having a regularly updated
95 management plan and roadmap, having reliable life-cycle cost
96 estimates and master schedules that are updated on a regular
97 basis, and conducting risk management throughout the life of the
98 program.

99 Now, I appreciate that many of the challenges facing EM
100 spanning several administrations and, further, that DOE has begun
101 to make changes in how it is attempting to manage these sites.

102 I also appreciate that Assistant Secretary White -- and thank
103 you for being here -- will tell us today that she intends to
104 implement many of the recommendations GAO and others have made

105 in recent reports.

106 But, you know, I have been on this committee a long time.

107 We have many seen DOE make these promises before with regards
108 to cleanup operations. And here we are talking again about a
109 program that needs major management attention.

110 So, Secretary White, we look forward to working with you
111 to make sure that it actually happens this time.

112 And finally, beyond the promises, I remain concerned that
113 EM lacks sufficient staff, expertise, and resources -- most
114 importantly, resources -- to accomplish some of the tasks that
115 we will talk about today including implementing the GAO's
116 recommendation.

117 To that end, the Trump administration's proposed budget cuts
118 to EM will not make things any better, particularly when it comes
119 to implementing some of the best practices that are being
120 proposed.

121 So, in conclusion, I am hoping EM can fully explain to
122 Congress and the American people what is driving the continued
123 increase in DOE's environmental liability but also whether the
124 GAO believes any new DOE proposals will reverse this trend.

125 Cleanup of these sites is critically important. We need
126 to have it happen and we can't be sitting here again in five,
127 10, or 20 years, hoping that it will.

128 And so with that, I yield back. I want to thank the witnesses
129 for appearing and I want to recognize the ranking member, Mr.

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130 Guthrie from Kentucky, for five minutes.

131 Mr. Guthrie. Thank you. Thank you, Chair DeGette, for
132 holding this important hearing. Thanks to our witnesses for
133 being here.

134 The U.S. Department of Energy's Office of Environmental
135 Management, which I will refer to as EM, was created in 1989 to
136 clean up the radioactive legacy of the Cold War and was tasked
137 with cleaning up 107 sites across the country.

138 As part of this effort, EM is responsible for completing
139 the safe cleanup of environmental legacy resulting from five
140 decades of nuclear weapons development and government-sponsored
141 nuclear energy research.

142 To date, DOE has completed a cleanup of 91 of its 107 sites
143 with 16 sites remaining. While 85 percent of the original 107
144 sites have been cleaned up, the remaining 16 sites has been
145 described to the committee as the most challenging sites.

146 The EM still has a lot of work to do. This work has been
147 ongoing for decades and will continue for decades to come with
148 some of the current sites not estimated to be cleaned up until
149 2070 or 2075.

150 One of the ways that EM's work is measured and estimated
151 is through the amount of environmental liabilities, which is
152 estimated cost to clean up areas where federal activities have
153 contaminated the environment.

154 To develop its environmental liability estimates, EM uses

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155 the approved life cycle cost for all cleanup projects at each
156 of its sites and adds any adjustments and accounts for any
157 potential cost decreases.

158 The United States government's liability was \$577 billion
159 in fiscal year 2018 and was the third highest liability listed
160 in the financial report of the United States government.

161 DOE is the driver of most of this liability, accounting for
162 \$494 billion due to its nuclear cleanup responsibilities. Most
163 of DOE's liability, \$377 billion out of \$494 billion, lies with
164 the cleanup costs associated with sites under the responsibility
165 of EM.

166 DOE's financial statement for the year 2018 showed a sharp
167 increase in environmental liability, more than \$110 billion.
168 EM's environmental liability has grown annually and outpaced the
169 agency's annual spending on cleanup activities. For example,
170 fiscal year 2011 and fiscal year 2017's environmental liability
171 grew almost \$105 billion -- between 2011 and 2017 grow almost
172 a \$105 billion from \$163 billion to \$268 billion.

173 In the same period, EM spent approximately \$40 billion.
174 Similarly, in the past two fiscal years, environmental liability
175 grew by \$122 billion with DOE spending only \$12 billion on cleanup
176 activities.

177 In 2017, GAO added the federal government's environmental
178 liability to its high risk list and it remained on GAO's high
179 risk list for 2019.

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180 Further, GAO has conducted additional work surrounding DOE's
181 environmental liability including a report that was released in
182 February as a result of what became a bipartisan request by this
183 committee to examine the performance of EM's operational
184 activities and the role of performance assessments in informing
185 those activities.

186 GAO's concern stems from the fact that while the number of
187 sites to be cleaned up have decreased, the cleanup costs have
188 increased and the timetable for completion keeps getting delayed.

189
190 And as the timetable for cleanup completion is delayed, costs
191 continue to go up, especially since about 40 percent of the money
192 EM spends on cleanup costs goes toward minimum safe operations,
193 or min safe, costs to maintain the sites including costs of power,
194 staffing, and security.

195 Additionally, according to GAO, DOE should conduct a root
196 cause analysis to determine why the cleanup costs, especially
197 the \$110 billion increase, went up so much.

198 GAO has also found that EM does not follow program management
199 leading practices or project management best practices. GAO's
200 concern is that DOE could be wasting billions of dollars and not
201 implementing the cleanup program efficiently and effectively.

202 Lastly, GAO reported that DOE does not have a strategy on
203 how to make the cleanup program more efficient and effective.

204 DOE recognizes the need to strengthen program management

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205 oversight accountability to ensure value for the American
206 taxpayer.

207 DOE and EM are working towards completion and closure of
208 the mission. But we still have decades to go. In the meantime,
209 it is critical that we understand what EM is doing and changing
210 in order to clean up the remaining sites in a timely cost-effective
211 manner.

212 This mission is an important one, not just for the sake of
213 completing cleanup but also to ensure that the environment and
214 public health in the communities where the sites are located are
215 protected.

216 I look forward to hearing from Assistant Secretary White
217 on ways DOE and EM plan to evaluate, strengthen, and clean up
218 the mission and how EM plans to address GAO's concerns.

219 I thank the witnesses for being here today and I yield back.

220 Ms. DeGette. I thank the gentleman.

221 The chair now recognizes the chair of the full committee,
222 Mr. Pallone, for five minutes for purposes of an opening
223 statement.

224 The Chairman. Thank you, Madam Chair.

225 Today, the committee continues its oversight of the DOE and
226 the Office of Environmental Management's efforts to clean up the
227 legacy nuclear waste sites remaining from the Cold War.

228 Decades of producing materials for our country's nuclear
229 weapons program has led to a massive and ongoing cleanup of nuclear

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230 and hazardous waste and these sites contain some of the most
231 dangerous materials on earth and some of the costliest and
232 technically challenging to clean up.

233 Waste at these sites consists of millions of gallons of
234 radioactive waste, thousands of tons of spent nuclear fuel and
235 other nuclear material, as well as contaminated soil and water.

236 And the consequences for not getting this right are enormous
237 to the environment, to human health, and to the taxpayer.

238 The U.S. government is responsible for costs associated with
239 cleaning up these contaminants at federal sites and facilities,
240 and the estimated cost of future environmental cleanup is referred
241 to as "environmental liability."

242 DOE is currently responsible for over 80 percent of the
243 federal government's total environmental liability, which
244 includes ongoing DOE cleanup efforts at 16 sites around the
245 country, and the costs associated with this effort are vast and
246 rapidly growing.

247 As of this year, it has climbed to a staggering \$377 billion.

248 And while one would expect that, over time, as more money is
249 spent, that DOE's environmental liability would be decreasing.

250 But just the opposite is occurring. Since 2011, DOE has
251 seen environmental liabilities grow by over \$200 billion while
252 spending in the same period was \$48 billion.

253 So even though we are spending billions each year,
254 environmental liabilities are growing at a level that is outpacing

255 DOE's spending.

256 In 2017 and again in 2019, the GAO included the federal
257 government's environmental liabilities on its high risk list.
258 GAO continues to find numerous management challenges with how
259 DOE is managing the cleanup effort.

260 For example, according to GAO, DOE has not conducted a root
261 cause analysis to learn why the runaway growth in environmental
262 liabilities has occurred, and that means DOE does not know with
263 certainty why this number keeps climbing.

264 And GAO has also found that the Department of Energy fails
265 to follow program and project management leading practices, and
266 this is all extremely concerning considering that the Department
267 of Energy has also inconsistently reported on its cleanup status
268 to Congress, and information that has been reported has often
269 been incomplete or misleading.

270 So the department's recent budget materials for EM also do
271 not reflect the funding EM anticipates is needed to meet its future
272 cleanup responsibilities and I appreciate that Assistant
273 Secretary White is taking positive steps which appear to reflect
274 her understanding of the significant challenges facing the
275 Department of Energy.

276 But DOE needs to answer some key questions about how they
277 are managing the cleanup program and this committee needs to know
278 if EM is planning to make the changes that GAO says are necessary,
279 what resources it needs to make these changes, and who is

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280 responsible for implementing these changes.

281 So, finally, I want to say that the department needs the
282 money to do these cleanups, obviously. I don't understand how
283 the Trump administration's proposed budget cuts to this office
284 would help DOE accomplish this enormous mission.

285 As we look forward to the difficult cleanup tasks ahead,
286 this committee will continue to call on the Government Accounting
287 Office to conduct its important work in this area and will continue
288 to demand that the Department of Energy take tangible actions
289 necessary to build a disciplined and effective cleanup program.

290 So, Madam Chair, these are some of the most costly,
291 dangerous, and difficult sites in the world to clean up and so
292 I appreciate what you are doing in having this hearing because
293 we really have to get this right.

294 I don't think anybody else wants my time so I will yield
295 back, Madam Chair. Thank you.

296 Ms. DeGette. The gentleman yields back.

297 The chair now recognizes the ranking committee -- the full
298 committee, Mr. Walden, for five minutes for purposes of an opening
299 statement.

300 Mr. Walden. Well, thank you, Madam Chair, and I appreciate
301 you holding this hearing about the growing environmental
302 liabilities associated with the U.S. Department of Energy's
303 nuclear waste cleanup and I can't help but -- after my friend
304 from New Jersey described the president's budget, and I disagree

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305 with it in some of these areas, at least the president put out
306 a budget, unlike our Democrat majority that punted on the issue
307 of a budget this time. This subject is of enormous importance
308 to the nation, especially for local communities near contaminated
309 sites such as those at Hanford.

310 We know all too well the issues that the Office of
311 Environmental Management handles. The threat of potential
312 environmental disaster and pollution persists in the minds of
313 Oregonians and people throughout the Pacific Northwest.

314 As you all know, we have 56 million gallons of Cold War era
315 toxic nuclear waste sitting in corroding and leaking metal tanks,
316 some of which were built to last a whopping 20 years. It has
317 been more than 20 years since World War II.

318 Hanford is a worrisome neighbor for us and the federal
319 government has not always been a trusted and reliable partner.

320 It also presents a difficult and complex challenge with a scale
321 that is difficult to appreciate on paper.

322 The Hanford site itself is nearly half the size of Rhode
323 Island -- half the size of Rhode Island. In August of 2017,
324 Secretary Perry and I went out to Hanford to get a firsthand look
325 and an evaluation of the work being done there to clean up that
326 site. Indeed, there is a lot of work going on.

327 But there is plenty left to do, as you all know. But the
328 end goal is to mobilize high-level nuclear waste into a glass
329 material similar to this puck that they gave us out there. By

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330 the way, this is not actually nuclear waste. I would just point
331 that out. It is not exactly radioactive.

332 This difficult work must be done as safely and efficiently
333 as possible and in a cost-effective way. Cleaning up the waste
334 at Hanford and at other sites across the nation is a top priority
335 and under my leadership last Congress on this committee we made
336 a bipartisan request that the U.S. Government Accountability
337 Office, known as the GAO, examine this issue of performance
338 management at the cleanup sites under the control of DOE's
339 Environmental Management, or EM.

340 EM is responsible for remediating the environmental
341 contamination attributable to the nation's nuclear weapons
342 systems including the cleanup of liquid nuclear tank waste,
343 stabilization, and packaging of nuclear materials and
344 decommissioning -- decontaminating closed nuclear facilities.

345 The financial costs of DOE's environmental liabilities are
346 high and we all know that. In total, DOE's EM liabilities are
347 \$377 billion with DOE's total environmental liabilities reaching
348 almost \$500 billion.

349 These numbers increased by \$110 billion between fiscal 2017
350 and 2018 due in large part to DOE recalculating the baseline costs
351 for the Hanford site, and I understand that is the first time
352 that's been done in basically a decade since 2009.

353 A few months ago, GAO issued our requested report and we
354 appreciate your work on this matter, and found accountability

355 to be lacking in key areas such as whether or not cleanup
356 performance is cost-efficient and effective, and according to
357 your report, DOE and EM have not established classification
358 requirements such that most cleanup activities would be treated
359 as projects subject to more stringent requirements instead of
360 operational activities.

361 So as a result, there is greater risk to cost overruns and
362 scheduled delays, and we have, obviously, seen both of those over
363 the years at Hanford.

364 DOE spends, roughly, \$6 billion on cleanup. But we don't
365 always have a clear visibility into what that means in terms of
366 completing the mission.

367 EM reports on the amount of nuclear cleanup completed each
368 year but for that amount of money spent how many radioactive tanks
369 should have been treated?

370 How much soil and water should have been remediated? We
371 don't have clear answers to these questions because, according
372 to GAO, EM's performance measures for operations activities do
373 not always provide a clear and reliable picture.

374 Although EM has undertaken several studies to address the
375 growing costs in its cleanup program, GAO found that EM had not
376 conducted a formal root cause analysis to identify the causes
377 for the growth in its environmental liability.

378 So these issues and others have been acknowledged by the
379 department and Environmental Management and has proposed or is

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380 exploring changes to allow for quicker and more cost-effective
381 cleanup of the remaining sites. EM is pursuing an end state
382 contracting model for several sites and using a multi-faceted
383 approach to address liabilities including the use of current
384 cleanup technologies for waste, composition, and risk, updating
385 key project life cycle estimates, and providing transparency when
386 it comes to liability data.

387 So I look forward to hearing more from the department today
388 on its actions and proposals and, ultimately, however to progress
389 on the cleanup of the waste at Hanford and other sites requires
390 a safe, secure, and permanent storage location for the waste.

391
392 And while this hearing should help get the cleanup efforts
393 on a better track, Yucca Mountain is the cornerstone of the
394 nation's nuclear waste disposal and we need to move forward again,
395 this time in this Congress, again in a bipartisan way, to improve
396 the performance and effectiveness of cleanup and build a durable
397 solution at Yucca.

398 This committee led on that effort under John Shimkus's
399 leadership on the subcommittee and we passed the bill with 340
400 votes in the House. It is time to do it again and get the Senate
401 to put it on the president's desk.

402 With that, Madam Chair, I yield back.

403 Ms. DeGette. The gentleman yields back and I thank him.

404 And I agree. I think it is time for another trip out to

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405 look at Hanford and Yucca. I was there many, many years ago with
406 Joe Barton when he was chair of this committee. So we should
407 do it.

408 I ask unanimous consent that the members' written opening
409 statements be made part of the record and without objection, so
410 ordered. I would now like to introduce our panel of witnesses
411 for today's hearing -- the Honorable Anne White, who is the
412 assistant secretary, Office of Environmental Management,
413 Department of Energy, David C. Trimble, director, natural
414 resources and environment of the Government Accountability
415 Office. Thank you both so much for being here today.

416 And you are aware that the committee is holding an
417 investigative hearing and when doing so has the practice of taking
418 testimony under oath.

419 Do either of you have any objections to testifying under
420 oath?

421 Ms. White. No.

422 Mr. Trimble. No.

423 Ms. DeGette. Let the record reflect the witnesses have
424 responded no. The chair then advises you that under the rules
425 of the House and the rules of the committee you are entitled to
426 be accompanied by counsel.

427 Do either of you desire to be accompanied by counsel during
428 your testimony today?

429 Ms. White. No.

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430 Mr. Trimble. No.

431 Ms. DeGette. Let the record reflect the witnesses have
432 responded no. If you would, please rise and raise your right
433 hand so you may be sworn in.

434 [Witnesses sworn.]

435 Ms. DeGette. You may be seated. Let the record reflect
436 that the witnesses have responded affirmatively and you are now
437 under oath and subject to the penalties set forth in Title 18
438 Section 1001 of the United States Code.

439 The chair will now recognize the witnesses for a five-minute
440 summary of their written statements. In front of you is your
441 microphone, that you have already found, and a series of lights.

442 The light will turn yellow when you have a minute left and
443 then red to indicate your time has come to an end.

444 Ms. White, you are now recognized for five minutes.

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445 STATEMENT OF THE HONORABLE ANNE WHITE, ASSISTANT SECRETARY,
446 OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY; DAVID
447 C. TRIMBLE, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT,
448 GOVERNMENT ACCOUNTABILITY OFFICE

449

450 STATEMENT OF MS. WHITE

451 Ms. White. Thank you.

452 Chair DeGette, Ranking Member Guthrie, and members of the
453 subcommittee, thank you for the opportunity to be here. I
454 appreciate the time your staff has spent with me over the past
455 few months.

456 We have had very constructive meetings. I look forward to
457 discussing efforts underway to reduce the liabilities and enhance
458 contracting approaches to propel the cleanup mission towards safe
459 completion sooner and at a responsible cost to the American
460 taxpayer.

461 Madam Chair, the government's nuclear defense programs
462 played an integral role in ending World War II and the Cold War.

463 Our nation was unified in its effort to end those wars.

464 That kind of resolve and unity of purpose is needed today
465 as we address the resulting environmental legacy. From day one,
466 Secretary Perry has made the cleanup mission a priority.

467 EM has completed cleanup at major sites over the past 20
468 years and made significant progress at the remaining 16 sites.

469 Rocky Flats, Fernald, and Mound were completed. Six of the nine

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470 reactors along the Columbia River at Hanford were cocooned.

471 We treated 10 million gallons of tank waste and have poured
472 4,180 canisters of high-level waste glass at Savannah River Site.

473 We remain committed to completing cleanup so that our host
474 communities can envision a vibrant future with enduring and
475 diverse economic opportunities.

476 The department also acknowledges that EM is the largest
477 program of its kind in the world and represents one of the
478 government's top financial liabilities.

479 The liability increases that are of concern to me and to
480 this subcommittee did not accrue overnight. But understanding
481 some of the causes enables EM to offer solutions now.

482 We can continue to live in the past or we can choose to
483 understand the past, make course corrections, and move forward
484 with collaborative solutions. It is time to choose the latter.

485 Our knowledge and technology have matured significantly over
486 the years. We need to employ cleanup technologies that are
487 reflective of the latest knowledge in the areas of waste
488 composition and risks, lessons learned over decades of cleanup,
489 and attainable end states to drive down costs of these
490 liabilities.

491 Those efforts start with truly getting to the bottom of what
492 we are dealing with using accurate up-to-date information. EM
493 just underwent an independent review of the remaining cleanup
494 of the entire Hanford site and it is providing a new level of

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495 transparency when it comes to liability data.

496 Having been on the contractor side of this program for 25
497 years I consider myself informed on the program's successes and
498 its failures. I have become well acquainted with the numerous
499 GAO reports that have provided EM with recommendations.

500 Implementing the changes recommended in those reports is
501 part of the challenge I agreed to take on once confirmed and I
502 reiterate my pledge to personally review GAO recommendations and
503 continue with development and refinement of plans that address
504 those recommendations.

505 I have established a team of experienced contract and project
506 management experts across the DOE complex to undertake the
507 transformational initiatives required to fulfil EM's mission.

508 EM is making real progress in implementing a number of GAO
509 recommendations. We are implementing a 10-year strategic
510 planning options analysis to evaluate current approaches and
511 other recently identified opportunities that could reduce risk
512 and life cycle costs.

513 With billions of dollars in procurements coming up at some
514 of our largest sites over the next few years, EM has a significant
515 opportunity to improve procurement processes, contract
516 management, and oversight performance.

517 One of our most transformative initiatives is a new end state
518 contracting model that will greatly enhance contract management.

519 It will provide for better requirements definition, reduce risk

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520 by reducing task order time horizons and improve contract
521 incentives to drive performance.

522 Today, we face some important decisions about the trajectory
523 of the cleanup mission. I view this as an opportunity to employ
524 the most successful and sustainable EM program.

525 Madam Chair, EM's greatest successes have historically been
526 achieved through hard work of our leaders determined to get things
527 done. I appreciate the support Congress has shown for the cleanup
528 mission and I look forward to working with the subcommittee to
529 deliver cost-conscious site completions that protect the public,
530 worker safety, and the environment.

531 Thank you.

532 [The prepared statement of Ms. White follows:]

533

534 *****INSERT 1*****

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535 Ms. DeGette. Thank you so much.

536 Now it is time for Mr. Trimble to testify five minutes.

537 You are recognized.

538

539 STATEMENT OF MR. TRIMBLE

540

541 Mr. Trimble. Chair DeGette, Ranking Member Guthrie, and
542 members of the subcommittee, my testimony today will focus on
543 DOE's large and growing environmental liability and GAO's recent
544 work on longstanding management weaknesses at EM that have limited
545 the effectiveness of the cleanup program.

546 What is environmental liability? It is the estimated cost
547 to clean up contamination from government activities. This is
548 challenging for DOE and EM as they are responsible for cleaning
549 up radioactive and hazardous waste at sites across the country
550 generated during weapons production from the Manhattan Project
551 through the Cold War.

552 This waste poses risks to both the public and the
553 environment. EM must address contaminated soil and ground water,
554 decommissioned contaminated buildings, and construct and operate
555 facilities to treat millions of gallons of radioactive waste.

556 These contaminated sites are often located near large rivers
557 and ground water sources for nearby communities. Why does this
558 issue deserve your attention now?

559 In short, DOE's environmental liabilities are huge and have

560 now reached a half a trillion dollars. Further, environmental
561 liabilities are now the federal government's third highest
562 liability and DOE accounts for 85 percent of the total.

563 In addition, this problem is getting worse as the growth
564 and the liability is vastly outpacing the EM's ability to reduce
565 it. As has been noted, over the last seven years, EM spent \$48
566 billion on cleanup. But the liability did not decrease.

567 Instead, it increased by \$214 billion. Further, we noted
568 in our high risk report that DOE's liability numbers likely
569 understate the true liability and will continue to grow.

570 EM receives about \$7 billion a year in funding each year
571 and actually has fewer sites to clean up than it did in 2011.

572 So why the runaway cost growth?

573 Notably, over 40 percent of EM's budget does not go to cleanup
574 activities but, rather, simply to maintain its sites. At several
575 locations these overhead costs consume over half of the site's
576 budget.

577 Most concerning, though, is that EM has not done a root cause
578 analysis to understand the factors driving this cost growth.
579 GAO's recent work has focused on management of the EM cleanup
580 program. Here are some of our key findings.

581 EM does not have a nationwide cleanup strategy and relies
582 primarily on individual sites to establish their own priorities,
583 which do not always balance overall risks and costs.

584 EM does not manage its work as an integrated program. A

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585 recent work compared DOE's cleanup policy to nine leading program
586 management practices and found EM did not meet any of them.

587 These practices include basic tools like having a program
588 management plan, a schedule, and measuring program performance.

589 We also found that EM does not follow most project management
590 practices.

591 Specifically, EM's policy did not meet nine of 12 leading
592 practices reexamined. These practices include such things as
593 identifying root causes of problems and developing a corrective
594 action plan to address cost overruns.

595 EM's shortcomings in project management are especially
596 notable because of the project other parts of DOE have made in
597 this area. Why the disconnect? EM does not classify the vast
598 majority of its work as projects. This approach has allowed EM
599 to avoid DOE's stricter requirements for project management.

600 Our work has also found that the data EM uses to track and
601 report on its cleanup work has significant limitations. This
602 is important because bad performance data is similar to driving
603 a car without working gauges on your dashboard.

604 Notably, cleanup milestones for EM sites across the country
605 are routinely changed when in danger of being missed. But these
606 changes are not tracked or recorded.

607 So why have the problems of EM's cleanup mission not received
608 more attention? One reason is that EM has not consistently
609 reported to Congress on its cleanup efforts.

610 Under the 2011 defense bill, EM must annually report
611 estimated cost and funding needs for future cleanup activities.

612 EM's 2017 submission to Congress was only the second one since
613 2011 and it did not include a detailed list of planned cleanup
614 actions or required funding.

615 GAO is encouraged by the actions EM is reportedly planning
616 to address our recommendations. Let me note that three of the
617 criteria GAO uses in assessing progress in federal high risk are
618 particularly relevant to EM at this time.

619 First, EM needs a comprehensive plan for the changes that
620 need that be made. Second, EM needs to understand and address
621 the staff skills needed to make and sustain these changes. And
622 third, EM will need to monitor its progress against its plan to
623 adapt and adjust as necessary.

624 In closing, the actions EM needs to take involve significant
625 cultural change at DOE headquarters, the sites, and the
626 contractors. The scope of this effort will require sustained
627 support from senior DOE leadership, Congress, as well as key
628 stakeholders.

629 Thank you again for the committee's commitment to oversight
630 of this important issue.

631 [The prepared statement of Mr. Trimble follows:]

632

633 *****INSERT 2*****

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634 Ms. DeGette. Thank you, Mr. Trimble. It is now time for
635 members to ask you questions. The chair recognizes herself for
636 five minutes.

637 I want to begin by getting a greater understanding of the
638 challenges facing DOE's Environmental Management office in
639 cleaning up these sites.

640 Mr. Trimble, is it fair to say that the remaining sites where
641 cleanup work remains are some of the most complex to clean up
642 and will be the most costly?

643 Mr. Trimble. Absolutely. The sites that are left are some
644 of the biggest and scariest. Hanford and Savannah River, of
645 course, pop to mind.

646 Ms. DeGette. Yes. Okay.

647 You testified that in fiscal year 2011 the environmental
648 liability facing EM was estimated to be \$163 billion. Since then,
649 that number has climbed each year and now the liability is
650 estimated to be \$377 billion. That's a \$214 billion increase
651 in just seven years.

652 Now, it is my understanding that EM has been unable to
653 articulate to GAO why the environmental liability keeps growing
654 at a rapid pace like that. Is that true?

655 Mr. Trimble. Yes, that is true.

656 Ms. DeGette. And it is also my understanding that EM's
657 environmental liability could keep growing, and if that happens
658 I was just saying to Mr. Guthrie increasing liability not only

659 poses a threat to the taxpayer but to the environment because
660 operations might need to be delayed or even deferred.

661 So, very briefly, I just would like you to tell me would
662 delaying work on the projects increase the risk to both the
663 taxpayer and the environment?

664 Mr. Trimble. Absolutely. Delays increase the overall cost
665 of the work and when you delay the work it means those communities
666 face the environmental risks for that much longer.

667 Ms. DeGette. Now, in your testimony, Mr. Trimble, you
668 describe how EM is facing a number of challenges about how it
669 manages its environmental cleanup programs.

670 For example, GAO found that EM is not following a number
671 of best program and management practices. Is that correct?

672 Mr. Trimble. Yes, that is correct.

673 Ms. DeGette. And GAO also found that EM has not resolved
674 longstanding management challenges and doesn't have a program
675 wide cleanup strategy to this day to address increased cleanup
676 costs. Is that right?

677 Mr. Trimble. That is correct.

678 Ms. DeGette. Now, I think you testified in your -- in your
679 statement that they really need to develop three things: a
680 comprehensive plan, staff skills, and a way to monitor the
681 progress and they also need cultural change over there.

682 Is that, in essence, what needs to happen?

683 Mr. Trimble. Yes. The scope of these changes are brought

684 and significant, and when you make those kind of changes it
685 invariably involves cultural change in the organization.

686 Ms. DeGette. And so I turn to you, obviously, Secretary
687 White, and want to ask you what is your position on those
688 recommendations that GAO has made?

689 Ms. White. So during my confirmation hearing I talked
690 specifically about the recommendations and that I am looking
691 forward to implementing them.

692 Having been in the field for quite some time, there were
693 cases where I said wow, GAO really has that right. So --

694 Ms. DeGette. Uh-huh. But what about in particular what
695 Mr. Trimble says, the comprehensive plan, the staff skills,
696 monitoring the progress and the cultural change?

697 Ms. White. Absolutely. We are moving out on all of those
698 recommendations. They are -- we will respond to those with all
699 concur and we have already begun to revise our program and project
700 management policy -- the cleanup policy to ensure it incorporates
701 the best management practices pointed out by GAO.

702 For the first time in the history of the program we have
703 all of the sites' life cycle baselines loaded into one centralized
704 system in headquarters so that we will be able to monitor progress
705 and track changes and look at milestones and have meaningful
706 metrics that are going to all us to more carefully monitor
707 performance, very consistent with the GAO recommendations.

708 Ms. DeGette. Thank you, and I guess I want to ask you,

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709 because -- and I know more people are going to ask about this,
710 but the budget constraints -- are those going to impact your
711 ability to implement these changes?

712 Ms. White. So I don't believe so because the changes that
713 we are making are going to be at headquarters mainly and it is
714 going to involve, as we say, new kind of communication with the
715 sites, and right now that is called program direction funding.
716 We have plenty of funding to do so.

717 Ms. DeGette. And what is your opinion about that, Mr.
718 Trimble?

719 Mr. Trimble. Well, we have not looked directly at the
720 budget. My --

721 Ms. DeGette. Well, what about the other structural changes
722 at the --

723 Mr. Trimble. Yes. What I -- yes, what I would say is that
724 I think part of the effort, given the scope of the changes that
725 we are talking about, that the EM would benefit from a thorough
726 analysis of the resources it needs to carry out these changes
727 because if you implement program and project management best
728 practices you need staff with different skills. Or the staff
729 may be there. I am not sure. But you have to do that assessment
730 and you either have to train or hire additional skills who are
731 expert in these areas to actually successfully execute the change
732 in direction.

733 Ms. DeGette. Thank you, and thanks to both of you.

734 The chair now recognizes Mr. Guthrie for five minutes.

735 Mr. Guthrie. Thank you. Thank you, Chair, for the
736 recognition, and these are to Secretary White.

737 Did the taxpayer get good value for the \$6 billion EM,
738 roughly, spent last fiscal year on nuclear waste cleanup?

739 Ms. White. I think by and large, yes. We do struggle at
740 Hanford because of the complexity and some of the costs associated
741 with carrying out our work there. But I believe the taxpayer
742 got good value for their money.

743 Mr. Guthrie. Okay. It leads --

744 Ms. White. We can do better, though.

745 Mr. Guthrie. Okay. This leads to my next question. So
746 I think you might answer, but I was going to -- are you implementing
747 reforms to ensure that the taxpayer is getting good value for
748 cleanup procedures and how will those reforms help better account
749 for EM's performance for dollars spent?

750 Ms. White. Yes. So one of the major things we are doing
751 is our end-state contracting approach and very similar to Rocky
752 Flats is -- it takes that same kind of process but applies it
753 to a smaller time period and not necessarily closure.

754 And what that is going to allow us to do is that we have
755 our pre-award, we select and we are selecting based on personnel
756 first because in my experience in the field it is having the right
757 personnel, not necessarily the right company or group of
758 companies.

759 So that is our first criteria. Once we make the award then
760 we are sitting down with the contractor and partnering to figure
761 out, okay, what is the first task order going to look like. It
762 could be two years of work. It could be three years of work.
763 It will depend on the site.

764 But what that does is, as one of my predecessors said, it
765 allows us to chunk the work so that we can better manage it rather
766 than having these ten-year periods of performance that can be
767 very difficult to monitor and measure and look after.

768 So this is going to put us on a much shorter time horizon
769 which will allow us to better understand what exactly it is it
770 we are buying and have the scope very well understood, and once
771 that happens that is what allows us to really monitor progress
772 and ensure that we are spending money effectively.

773 So that is one of the biggest things. The other thing we
774 are moving out on and have been looking at for a while is our
775 existing contracts have performance evaluation measurements
776 plans and they are developed at the site level. We have put
777 together -- these are called PEMPs -- we have put together a PEMP
778 review board and we are going to be looking very carefully at
779 the PEMPs as they roll out, again, to ensure we are not just paying
780 fee for contractors to show up and do their base work. We want
781 to be paying contractors to really exceed and excel.

782 So that is one of the things we are doing. Same thing with
783 a fee determination board. We stood one up at headquarters so

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784 that we can be reviewing how a fee is getting paid to contractors
785 and ensure some consistency because some fee determination
786 officials are easier graders than others and so we want to just
787 try and drive some consistency there about what our expectations
788 are at the programmatic level.

789 Mr. Guthrie. Okay. Thank you.

790 And while DOE's most recent financial statements have shown
791 a sharp increase in environmental liability over the last fiscal
792 year, DOE's liability has been increasing for years.

793 For example, between 2011 and 2017, EM's liability grew \$105
794 billion. Why does DOE's environmental liability keep going up?

795 Ms. White. We are going to find that out.

796 Mr. Guthrie. Okay.

797 Ms. White. We are in the process of doing a detailed root
798 cause analysis to have a look. Most what we know intuitively,
799 though, is that it is time. Time is money. So as the life cycle
800 baselines kick out, the liability goes up. But we are going to
801 do a much more detailed analysis than my spidey senses.

802 Mr. Guthrie. Okay. And, similarly, why do timetables for
803 -- estimated timetables for cleanup keep getting delayed?

804 Ms. White. So there is a lot of factors involved there,
805 some of which is the regulatory agreements we have at these sites
806 by and large are pretty old and we have learned a lot since we
807 entered into these agreements, and industry commercial disposal
808 options have opened up that were not necessarily accounted for

809 previously.

810 So that is some of it. Some of it is just not really being
811 effective in holding the contractors accountable to complete the
812 work scope. There is a number of factors. But putting together
813 our program and project management policy I believe is going to
814 address a lot of these concerns.

815 Mr. Guthrie. I am going to switch to my last questions
816 because I only have about 20 seconds. What can Congress do to
817 support or assist?

818 Ms. White. Just -- you have been very supportive in terms
819 of funding traditionally. So that would be good.

820 Mr. Guthrie. Okay. Thank you. Well, that completes my
821 questions and I will yield back.

822 Mr. Kennedy. [Presiding.] Chair thanks the gentleman.

823 The gentlelady from Florida, Ms. Castor, is recognized for
824 five minutes.

825 Ms. Castor. Thank you, Mr. Chairman.

826 The Office of Environmental Management, referred to as EM,
827 is responsible for cleaning up our nation's legacy nuclear weapons
828 sites.

829 Today, EM has completed cleanup at a number of sites.
830 Sixteen sites, however, still need cleanup and these are probably
831 the most challenging to address.

832 GAO has published several reports that express serious
833 concerns about EM's management of its nuclear waste sites.

834 Mr. Trimble, you have testified that EM does not have a
835 program wide strategy to appropriately address its vast and
836 growing environmental liability, correct? Why not?

837 Mr. Trimble. That -- I mean, I think that is the key
838 question. I think the answer is that for the longest time, and
839 we are talking decades here, the EM program has largely been
840 managed through a delegation of key decisions to the sites.

841 In many ways, the EM program has operated as a confederation
842 of sites rather than as a coherent program with a plan and clear
843 direction.

844 Ms. Castor. In fact, a January 2019 report GAO discussed
845 EM's lack of a program wide strategy and here is what you said.

846 Without a strategy that sets national priorities and describes
847 how DOE will address its greatest risks, EM lacks assurance that
848 it is making the most cost effective cleanup decisions across
849 its site.

850 Will you put that in simple layman's terms? What does it
851 mean that EM does not have a strategy and how is this affecting
852 cleanup efforts?

853 Mr. Trimble. Well, it means that key decisions regarding
854 resources and how to address risk are made at the micro level
855 at each site. So that collectively when you look at the EM budget
856 their risk benefit analysis isn't being done. You will get
857 inconsistent decisions regarding priorities and the deployment
858 of resources across sites. You may be spending money at one site

859 where there is a greater risk at another site.

860 The other issues are you just -- you end up being very
861 inefficient in terms of tackling your most pressing environmental
862 tasks.

863 Ms. Castor. All right. GAO reported that EM, quote, "does
864 not collect or maintain reliable cost, schedule, or milestone
865 data on its projects.

866 Ms. White, without reliable cost, schedule, or milestone
867 data, how can EM have a clear picture of whether it is effectively
868 managing its environmental liabilities?

869 Ms. White. That is a great point and that is, again, why
870 we have moved out with a number of initiatives to incorporate
871 GAO recommendations and that includes the program and project
872 management policy which is going to gather the data, ensure that
873 we have good sound cost estimating. That is going to be extremely
874 important on our end-state contracting model because --

875 Ms. Castor. And I know you said don't go back and look at
876 the past. But, I mean, that is irresponsible. A lack of reliable
877 data makes it difficult to effectively manage --

878 Ms. White. And it has been -- it has been that case for
879 decades. So we are trying to change it.

880 Ms. Castor. Yes. In fact, in your testimony you say the
881 department views this as an opportunity. The most successful
882 EM is a program reflective of the latest scientific knowledge
883 about ways to using the most up-to-date cost and schedule

884 estimates and that incorporates lessons learned from the last
885 30 years of cleanup.

886 But for decades EM has tried to develop overall strategies
887 to better manage and prioritize risks. Those strategies have
888 come and gone. But as we have heard today the problems persist.

889 So I am going to ask this as simply as I possibly can. Do
890 you have a plan and is your plan supported by the right staff
891 and resources so that it will succeed in addressing these
892 problems?

893 Ms. White. Yes, we do have a plan. As I said, we are going
894 to improve our program management and project management.

895 Ms. Castor. And I hope getting a handle on the liabilities.
896 For you to admit that you don't even have an understanding of
897 the liabilities is very serious.

898 Ms. White. And, again, at the recommendation of GAO we are
899 doing a very detailed root cause analysis of what is driving that.

900 Some of it is that scope gets added. Some of it is that we learn
901 more about the work at hand.

902 So it is a number of factors. But we are going to get to
903 the bottom of that and as soon as we do I would love to come brief
904 your staff.

905 Ms. Castor. Well, if DOE is serious about cleaning up
906 environmental hazards, the department needs to manage its efforts
907 professionally and effectively.

908 It is long past time for DOE to get its act together and

909 I look forward to hearing from the department on the progress.

910 Thank you, and I yield back.

911 Mr. Kennedy. The chair thanks the gentlelady.

912 The chair recognizes the ranking member of the full
913 committee, Mr. Walden.

914 Mr. Walden. Thank you very much, Mr. Chairman, and again
915 I want to thank the work of the GAO and Secretary White. Thank
916 you for stepping into this and trying to clean up this mess.

917 As you say, it has been going on a long time, and we are
918 making progress but we know there is a lot more work to be done.

919 It has been mentioned there was a sharp increase in
920 environmental liability over the last fiscal year of more than
921 \$110 billion, growing from \$384 billion to \$494 billion.

922 As I understand it, this was primarily due to an increase
923 in the estimated costs of the cleanup at the Hanford site in
924 Washington for which the life cycle costs had not been updated
925 since 2009.

926 Is that correct?

927 Ms. White. That is correct.

928 Mr. Walden. Okay. And does DOE know what specifically made
929 Hanford's life cycle costs increase so much over a 10-year period?

930 Ms. White. It was largely due to expanded time that it is
931 going to take, and as Mr. Trimble noted, there is a very high
932 hotel cost that is associated with our sites -- just keeping the
933 lights on, if you will.

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934 So when you increase the time that costs drags along with
935 you. So it is almost all driven by time.

936 Mr. Walden. Okay. So during the Obama administration they
937 never updated this baseline cost is how I would look at this.

938 According to information provided to the committee by DOE,
939 Hanford accounts for about 64 percent of the Office of
940 Environmental Management's fiscal year 2018 liability. What
941 about Hanford makes it account for over half of EM's liability?

942 Ms. White. It is one of our more complex sites.

943 Mr. Walden. Sure is.

944 Ms. White. Again, we entered into an agreement in 1989.
945 That is a little bit cumbersome right now because things have
946 changed.

947 The other part of it is though we have made really good
948 progress out there. PFP, for example, is moving forward. The
949 K-Basin sludges are going to remove the radioactive material from
950 one of the last reactors and many other things. The whole river
951 corridor cleanup project was fairly successful.

952 So progress is being made. Our real challenge there is the
953 tank waste.

954 Mr. Walden. Yes, it is, and I know when Secretary Perry
955 made a commitment early on to go out and see it and I toured,
956 as I said, the site with him and the National Lab, which does
957 amazing work as well.

958 It looked like they were finally getting the new equipment

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959 in place and installed where they could begin to deal with this
960 cleanup and so I applaud the work that Secretary Perry and you
961 are doing here to kind of finally get this in the right direction.

962 The question I have too is how many other sites need to have
963 their life cycle costs updated and should we expect cost increases
964 when those are updated?

965 Ms. White. So we have, as I said, loaded all the life cycle
966 baselines into a centralized system for the first time in the
967 history of the program. We are analyzing that data now.

968 I would not expect to see anything like the increase that
969 we saw on Hanford.

970 Mr. Walden. Okay. So this mission has been going on for
971 decades. It will continue for decades, unfortunately, for sites
972 like Hanford that are not estimated to be cleaned up until 2070
973 to 2075, I believe, is the latest estimate.

974 While I want to ensure that this mission is completed safely
975 there are environmental and safety concerns about the length of
976 time it is estimated to take to clean up some of these sites.

977 For example, it is my understanding some of the tanks at
978 Hanford have already started to leak because the tanks weren't
979 made to hold waste for this length of time.

980 Isn't that correct?

981 Ms. White. That is correct.

982 Mr. Walden. We had leakers there, I know. What are -- what
983 are some of the risks of the mission taking longer than expected

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984 and what is EM doing to prevent these risks from harming the public
985 or the environment?

986 Ms. White. Yes. So some of the risks involve, of course,
987 worker safety, first and foremost. The other part of the risk
988 is, you know, for example, PUREX Tunnel 2 -- those kind of things.

989 So --

990 Mr. Walden. And that is the one where the rail cars are
991 underneath and --

992 Ms. White. Correct.

993 Mr. Walden. -- the roof collapsed and opened them up?

994 Ms. White. Correct. And the other tunnel we just finished
995 grouting that tunnel completely. So that was a big success and
996 it takes some risk off the table.

997 So there is things we can do to remediate risks as they arise.

998 Mr. Walden. I know that the little piece of glass I have
999 here that was what -- eventually these will be long tubes of
1000 glassified nuclear waste. But I notice when recently they
1001 announced they had finished turning three gallons of this toxic
1002 sludge into glass, I believe, which meant only 56 million gallons
1003 left to go.

1004 So I mean, this -- they are just starting up but I think
1005 that is correct, isn't it?

1006 Ms. White. Yes. The three gallons actually was sent
1007 offsite as part of the test bed initiative and disposed of in
1008 Texas. So we actually removed waste from the state of Washington.

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1009 Mr. Walden. Well, that is good. For my friends in Texas,
1010 we are glad to send you some of our byproduct -- saving the world.

1011 [Laughter.]

1012 Mr. Walden. Yes, so this is a message, and finally it is
1013 10 seconds. I don't know if they can throw this slide up. But
1014 for those initiated when you see the site of Hanford you see right
1015 next to it the Columbia River.

1016 Ms. White. Yes.

1017 Mr. Walden. The mighty Columbia River, and this is -- and
1018 I know some of the geology tilts the other way. So they told
1019 us, you know, the odds of it ever leaking into the river are pretty
1020 slim. But, you know, we really don't want our salmon to glow
1021 at night and so we need to keep after this and I am glad you are
1022 on it and I am glad GAO is keeping an eye over your shoulder as
1023 well.

1024 So thank you, Mr. Chair, for your indulgence and thanks for
1025 the work you're doing.

1026 Ms. White. Absolutely. Thanks.

1027 Mr. Kennedy. The chair thanks the ranking member, and I
1028 am grateful that you have that disc in your pocket.

1029 The chair recognizes the gentlelady from Illinois, Ms.
1030 Schakowsky, for five minutes.

1031 Jan?

1032 Ms. Schakowsky. Thank you. Thank you, Mr. Acting Chair.
1033 I appreciate that.

1034 Ms. White, you have been there a short time. But you have
1035 been in the business and in the field as a contractor for a long
1036 time, right?

1037 Ms. White. That is correct. Twenty-five -- over 25 years.

1038 Ms. Schakowsky. So you know that we are talking about a
1039 problem that has existed for the last 50 years, really, and I
1040 think there is good reason including river contamination
1041 potentially that we need to do -- to do more and that this is
1042 really long, long overdue -- 50 of nuclear weapons production
1043 and energy research.

1044 I am glad we are having this hearing because I think a lot
1045 of people are not aware of this and yet we are talking about
1046 billions of dollars. Three hundred and seventy-seven billion
1047 dollars is what was spent.

1048 Is that the -- is that the budget or the increase? That
1049 is just the -- that is the whole budget, right, for last year?

1050 Ms. White. That's the liability. Yes.

1051 Ms. Schakowsky. That is the liability?

1052 Ms. White. Right.

1053 Ms. Schakowsky. And it is the third greatest of the
1054 liabilities that we have in our agencies, right?

1055 Ms. White. That is right.

1056 Ms. Schakowsky. Yes. And it has been growing, even though
1057 the number of sites hasn't increased and so, really, the GAO has
1058 helped us try and figure out why, and let me first turn to Mr.

1059 Trimble here.

1060 Where is all that money going? I understand that half,
1061 sometimes 60 percent, is just going to keep the lights on at these
1062 places -- not to remediate but to keep the lights on.

1063 Mr. Trimble. That is correct. There is a large amount of
1064 money that is basically called min safe -- keep the facility
1065 operating if you have a closed facility. Make sure the roof
1066 doesn't collapse, to protect the workers.

1067 So about half of the money or 40 percent of the money is
1068 going to that work. I think the challenge in terms of seeing
1069 what you're getting for your money is without operating it as
1070 a program with a clear direction of where you want to be and where
1071 you expect to be, and without using project management skills
1072 to help you get there and measure your progress it is hard to
1073 tell what you are getting for the rest of your money.

1074 There is stuff being done. You are hearing buildings being
1075 closed or being remediated. But you don't know necessarily
1076 whether it should have been twice as much as they got done or
1077 they are getting great results and they are getting twice as much
1078 done with the same dollars, right, because they are not evaluating
1079 it against best practices. You don't know what you should be
1080 doing with the dollars you are spending.

1081 So it is hard to tell whether you are getting value and
1082 whether you are getting to where you need to go at the end of
1083 the day.

1084 Ms. Schakowsky. So the 2070 time line is that something
1085 that you projected? Who projected that it would be done by --
1086 that seems unreasonable to me.

1087 Ms. White. That was a result of an independent review we
1088 had one. It was part of our TPA milestone. A tri-party agreement
1089 milestone requires us to update the life cycle baseline and we
1090 did that, and what some of it has to do with long time lines is
1091 maintenance on the facilities and having to have, as you say,
1092 the hotel load to keep the lights on as part of the funding profile.

1093 So there is a number of factors there, and we are actively
1094 looking at alternatives because of the life cycle baseline cost
1095 increase. Our project management order requires us to do an
1096 analysis of alternatives, which is underway now.

1097 Ms. Schakowsky. So you agree with the GAO findings, do you?

1098 Ms. White. I do. I do.

1099 We need to do better in program and project management and
1100 I think we can do better. In terms of the priorities across the
1101 various sites, unfortunately, CERCLA has a national priorities
1102 list and the sites are treated separately.

1103 However, in 2015, there was a omnibus risk report that came
1104 out that was actually required. It was a congressional report
1105 and it pointed out a number of opportunities to look at our work
1106 scope more in the way that Mr. Trimble would like us to.

1107 Ms. Schakowsky. When you were working as a contractor did
1108 you see these kinds of problems, inefficiencies, things that

1109 needed to be changed?

1110 Ms. White. There were times I did. There were times,
1111 though, when I also saw really absolutely amazing work get done
1112 by absolutely amazing people who were ready to innovate and roll
1113 up their sleeves and go.

1114 It has been more that than the inefficiencies and less than
1115 stellar cost behavior.

1116 Ms. Schakowsky. How do you explain to the taxpayers that
1117 while the number of sites has not changed that there has been
1118 this astonishing increase in the cost?

1119 Ms. White. Again, the latest increase is driven almost
1120 completely by Hanford. We are doing good work at our other sites
1121 and we are doing good work at Hanford, too. We are coalesced
1122 around the direct feed low-activity waste mission. It is going
1123 very well. So we are starting to pick up some speed and momentum
1124 and a little velocity.

1125 Ms. Schakowsky. So you are saying -- am I out of time?

1126 Oh, I am sorry. I am out of time. That goes so fast.

1127 Ms. White. It does.

1128 Ms. Schakowsky. Doesn't it?

1129 Ms. White. It does.

1130 Ms. Schakowsky. Okay.

1131 Ms. White. I will come and brief you --

1132 Ms. Schakowsky. I hope you will start going real fast, too.

1133 [Laughter.]

1134 Ms. Schakowsky. I yield back. Sorry.

1135 Mr. Kennedy. Thank you. The chair thanks the gentlelady.

1136 The chair will recognize the gentlelady from Indiana, Mrs.

1137 Brooks, for five minutes.

1138 Mrs. Brooks. Thank you very much and I agree, our five
1139 minutes goes really fast.

1140 I want to talk -- I want to start out with you, Mr. Trimble,
1141 with respect to the report from February of 2019 where GAO made
1142 seven recommendations and focused on the project contract
1143 management piece.

1144 Should most of the cleanup work be classified as operations
1145 activities or as projects? And that seems to be what part of
1146 your report talks about is a huge problem and difference.

1147 Mr. Trimble. Yes. I think what we say in that report is
1148 that large chunk of the work currently managed as operations
1149 activities are projects and what we noted in there is that other
1150 people, the experts -- some of the project management experts
1151 in DOE headquarters felt the same way and raised these concerns
1152 to EM in 2015 and EM at that time did not yield there.

1153 Mrs. Brooks. And why does the classification as to what
1154 work they are doing make a difference between operations
1155 activities versus the project?

1156 Mr. Trimble. The main -- the main reason is over the last
1157 10 years DOE's management of contracts and projects has been on
1158 GAO's high risk list since 1990. It is another high risk area.

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1159 For the last 10, 15 years we have done a lot of work in that
1160 area and DOE, to its credit, has made significant improvements
1161 to how it manages projects and what that means is they tighten
1162 up their requirements in something called Order 413.

1163 So on the weapons side, NNSA, where they are building large
1164 projects, they have tightened up those requirements and they have
1165 seen significant meaningful results as a result of those tighter
1166 requirements.

1167 By classifying it as an operations activity, you avoid those
1168 tighter requirements. They are not subject to all the
1169 improvements we have worked so hard over the last 10 years to
1170 make.

1171 Mrs. Brooks. Is there any cleanup activity or work that
1172 you think should still be classified as operational activity
1173 versus moving the cleanup over to the other category?

1174 Mr. Trimble. No. These decisions really need to be left
1175 to experts at DOE. What our recommendation is that EM needs to
1176 work with the project management experts at DOE headquarters to
1177 come up with a way of classifying this work appropriately.

1178 Mrs. Brooks. So, Assistant Secretary White, is that
1179 happening?

1180 Ms. White. Yes. So what we are doing is in our program
1181 and project management policy is all work is going to be covered
1182 by a strict gated process and it fits in nicely with our end-state
1183 contracting model because we will treat -- say we have a two-

1184 or three-year task order. We are going to treat that as a gated
1185 process as a project that we are going to monitor and oversee.

1186 Mrs. Brooks. So it will be reclassified then as a project
1187 rather than operation activity?

1188 Ms. White. We -- what we are going to do, again, is our
1189 program and project management policy follows all the GAO best
1190 management practices and we are going to use that.

1191 Within and underneath that we will also use 413.3.

1192 Mrs. Brooks. And does that satisfy you, Mr. Trimble, as
1193 to how the work will be classified?

1194 Mr. Trimble. Proof is in the pudding. We have not seen
1195 that. I think there is -- our concern would still be the role
1196 for DOE headquarters and their office of project management and
1197 understanding those distinctions.

1198 One of the key areas of -- that is involved in doing best
1199 practices for project management is having independent oversight
1200 meaning independent of the people either running that project
1201 or running the program.

1202 Mrs. Brooks. Right.

1203 Mr. Trimble. So that will be a key element of that.

1204 Mrs. Brooks. Has EM ever classified a cleanup work as a
1205 capital asset project?

1206 Ms. White. Yes. Yes.

1207 Mrs. Brooks. And which one was that?

1208 Ms. White. That I know off the top of my head was Main Plant

1209 demo out in New York.

1210 Mrs. Brooks. And why was that classification not continued
1211 for other cleanup projects?

1212 Ms. White. So 413 is a project management order that, to
1213 me, is most amenable to when you are building something. What
1214 our program and project management policy does, again, it
1215 incorporates all the best practices pointed out.

1216 It also includes a gated process which means we would work
1217 with the project management office -- the overall DOE project
1218 management office -- on all of these things.

1219 Mrs. Brooks. So are you -- so are you now working with DOE
1220 project management office at the highest levels in a different
1221 way than you have been working than EM has been working with them
1222 for decades?

1223 Ms. White. Not -- yes. So we have been -- we work with
1224 them very routinely. So with our, again, a revised policy we
1225 are going to be working very closely with them. We have been
1226 working closely with a number of people in the building. We have
1227 some very good program and project management experts involved
1228 in helping us develop this policy. So I think we are in very
1229 good stead.

1230 Mrs. Brooks. Is EM operating under any kind of constraints
1231 to change the way these projects are managed as to whether or
1232 not they are projects versus operational activities?

1233 Ms. White. No. We don't have any constraints. The policy

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1234 will be an EM policy. So I don't feel constrained.

1235 Mrs. Brooks. Okay. Thank you. I yield.

1236 Mr. Kennedy. The chair thanks the gentlelady. The chair
1237 will recognize the gentlelady from New York, Ms. Clarke, for five
1238 minutes.

1239 Ms. Clarke. Thank you very much, Mr. Chairman. I thank
1240 you both for appearing before us today.

1241 Over many years, GAO has identified management concerns
1242 which encompass nearly all aspects of DOE's Office of
1243 Environmental Management called EM including its direction
1244 management ability to make effective decisions and to address
1245 the legacy of nuclear contamination from the Cold War. This we
1246 all know.

1247 So I want to drill down on this a bit, Mr. Trimble. What
1248 exactly does it mean that DOE's Environmental Management Office
1249 does not follow leading management practices?

1250 Mr. Trimble. Well, I think the easiest way to understand
1251 that is the leading practices both in program and project
1252 management are there to help you deliver your project or your
1253 deliverable on time and on budget.

1254 So when you are not following these practices, and these
1255 are practices that -- these come from industry. They come from
1256 government. These aren't things GAO comes up with. These are
1257 standard things people do who -- to succeed.

1258 So if you are not following any of these, it means your chance

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1259 of success is probably none. You have to follow these if you
1260 want to deliver on time and on budget.

1261 Ms. Clarke. Mr. Trimble, you noted in a report just a few
1262 months ago that until EM reviews and revises its cleanup policy
1263 to include program management leading practices related to scope,
1264 cost, scheduled performance, and independent review, the EM
1265 program is at risk of continued uncontrolled changes to the
1266 program scope, exceeding its cost estimate and schedule, failing
1267 to meet its programmatic goals, and increasing DOE's
1268 environmental liabilities.

1269 Why is it important that EM change or revise its cleanup
1270 policy to follow best practices in addressing cleanup activities
1271 and why is it not doing it?

1272 Mr. Trimble. It is critical because without doing so you
1273 are never going to get a handle on that liability growth. To
1274 achieve the mission, to protect these communities, to protect
1275 the taxpayers' interests, you have to change course and embrace
1276 these best practices.

1277 I think the challenge in the past has been, as I mentioned,
1278 DOE writ large has been on our high risk for project and contract
1279 management since 1990 when we started that list and this has not
1280 been something culturally that comes naturally to DOE.

1281 Ms. Clarke. Mm-hmm. So would it be fair to say that EM's
1282 operations activities are still at risk of uncontrolled changes
1283 which could further balloon costs and add time to the already

1284 long schedules for cleaning up these sites?

1285 Mr. Trimble. I am encouraged by the changes we hear DOE
1286 is talking about. But until those are fully implemented, yes,
1287 absolutely.

1288 Ms. Clarke. Ms. White, I would think that if EM followed
1289 these best practices for program management and project
1290 management we might experience better outcomes.

1291 I understand that you are in the process of trying to adopt
1292 many of the recommendations made by GAO to implement these best
1293 practices. But what is your plan for adopting these recommended
1294 practices? What are your time lines for implementing them and
1295 do you have the resources to take on this challenge?

1296 Ms. White. So our program and project management policy
1297 is in the last throes of internal review. It'll then go out to
1298 the sites for their review and get reviewed by a number of
1299 stakeholders really because what this is it is a bit of a culture
1300 change.

1301 So we want to make sure we engage all of our stakeholders,
1302 if you will, and when I say that I mean the PM organization within
1303 DOE -- project management organization -- and, again, the sites.

1304 So that should be rolling out fairly shortly. The other
1305 thing I want --

1306 Ms. Clarke. What does fairly shortly -- I mean, has this
1307 process already begun?

1308 Ms. White. Oh, yes. We started revising the cleanup policy

1309 well before we even got the --

1310 Ms. Clarke. But you are saying creating this culture of
1311 buy-in, essentially, right?

1312 Ms. White. Yes. So --

1313 Ms. Clarke. What is that like?

1314 Ms. White. So basically because the sites are CERCLA sites
1315 by and large, they are on a national priority list and they are
1316 on a path. So by doing this program management policy it is going
1317 to be a bit of a change for kind of the relationship between the
1318 sites and headquarters. So that is one factor.

1319 The other thing --

1320 Ms. Clarke. Yes. So the question I have is it is a change
1321 in culture, right, and oftentimes change is very difficult when
1322 people are hardwired on the way things used to be.

1323 How are you working at changing that culture and where are
1324 you in that process? Are you getting the buy-in that is required
1325 to expedite this? That is the important thing right now, right?

1326 Ms. White. I am getting the buy-in to expedite and get this
1327 rolling. The other thing is we got really good buy-in and a lot
1328 of excitement around our end-state contracting model, which is
1329 a huge change to the way we have been doing business. But, again,
1330 we have got a lot of really good energy around that and a lot
1331 of good cooperation. So I feel very pleased with the progress.

1332 Ms. Clarke. Mr. Trimble, what are your reactions to some
1333 of the ideas that Ms. White is laying out here today?

1334 Mr. Trimble. I am encouraged by their acceptance of our
1335 recommendations and some of the ideas I would -- you know, my
1336 mother who, God bless her, is 97 now -- always told me, "I didn't
1337 raise you to be an optimist."

1338 [Laughter.]

1339 Mr. Trimble. Why I am at GAO, I suppose. But, you know,
1340 if you look back over these issues going back to -- you know,
1341 GAO has been reporting on this -- these -- the challenges in the
1342 cleanup program since the 1970s.

1343 As I have said, the changes we are talking about are
1344 fundamental. The areas that I would caution or have questions
1345 in terms of some of the proposals is the end-state -- their
1346 end-state contracting I don't know enough about what that actually
1347 means in practice of judge.

1348 It sounds great. Contracting has been a challenge for DOE
1349 so that is good. But contracting is not project management.
1350 Contracting supports management. And so you have to have
1351 management set up and then use contracting.

1352 Ms. Clarke. Thank you very much. I yield back, Mr.
1353 Chairman.

1354 Mr. Kennedy. The chair thanks the gentlelady.

1355 The gentleman from Oklahoma is recognized. Mr. Mullin for
1356 five minutes.

1357 Mr. Mullin. Thank you, Mr. Chairman, and thanks for being
1358 here.

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1359 Ms. White, I just want to talk a little bit more about the
1360 project management. It is something that I do and have done my
1361 whole life. I understand job sites. I understand the culture
1362 to which you're talking about. But I don't understand
1363 implementing best practices.

1364 As a general contractor, if I want to make changes on my
1365 job site, it is my job site. I am going to make changes because
1366 it is for the best of the project. It is not allowed -- it is
1367 not even open for discussion. We are going to implement them
1368 because it is the way we move the project forward. Those that
1369 don't want to get on board they can find another job.

1370 It is just the way that it works. Construction works certain
1371 ways. And so when you're talking about cleanup sites, you're
1372 working off \$377 billion and rising. Would that be fair?

1373 Ms. White. We hope not it is rising.

1374 Mr. Mullin. Well, it is. Mr. Trimble, \$377 billion and
1375 rising. Would you agree?

1376 Mr. Trimble. Absolutely. Yes.

1377 Mr. Mullin. Okay. So \$377 billion and rising. Are you
1378 working off any type of budget?

1379 Ms. White. So we get usually around \$6 billion plus per
1380 year.

1381 Mr. Mullin. So are these -- are they going out to bid?
1382 Are you bidding these projects?

1383 Ms. White. Yes. So the way we are doing our --

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1384 Mr. Mullin. So if you're working off bids --

1385 Ms. White. Yes.

1386 Mr. Mullin. -- you have got a project. We know what needs
1387 to be accomplished on the project. We are bidding it out. How
1388 are we not working off a budget?

1389 Ms. White. So the way we have been doing contracting
1390 previously is it was a 10-year ordering period and, quite frankly
1391 --

1392 Mr. Mullin. What do you mean 10-year ordering period?

1393 Ms. White. So it is a 10-year period of performance. So
1394 we --

1395 Mr. Mullin. So they bid to work for 10 years?

1396 Ms. White. They bid -- yes, 10 years.

1397 Mr. Mullin. Are they open bid? Are they bid a dollar
1398 amount? How is that bid out?

1399 Ms. White. They are open competition.

1400 Mr. Mullin. No, I mean -- I mean, do they bid it saying,
1401 I am going to work for 10 years for X amount of dollars and I
1402 am going to have X amount of employees on there and this is
1403 equipment is going to be brought on?

1404 Ms. White. So, basically. But --

1405 Mr. Mullin. What do you mean -- and just help me understand.
1406 I am not trying to badger you. I am just saying, basically,
1407 it sounds like to me if you're doing a \$377 bid and rising that
1408 you're not really bidding it out. You're getting a start price

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1409 and there's a thousand change orders that's coming behind it each
1410 day.

1411 Ms. White. Yes. Yes, and that was --

1412 Mr. Mullin. So why are we allowing change orders? Did they
1413 know the job? Did they know the scope of it before they went
1414 in?

1415 Ms. White. Not in many cases?

1416 Mr. Mullin. How did they not? We knew what needed to be
1417 done. And how long have we been on the site now?

1418 Ms. White. So, traditionally --

1419 Mr. Mullin. Not traditionally.

1420 Ms. White. Okay.

1421 Mr. Mullin. We know what needs to be done. I am not talking
1422 about the past. You're -- we are looking forward.

1423 Ms. White. Yes. So looking -- looking --

1424 Mr. Mullin. The past are mistakes we can learn from.

1425 Ms. White. Looking forward, that's our end-state
1426 contracting model exactly, so that we will know exactly what --

1427 Mr. Mullin. So why isn't that already implemented them?

1428 Ms. White. We are. We have RFPs on the street right now.

1429 Mr. Mullin. So we are going to go to project. We are not
1430 going to allow change orders because this happens all the time.

1431 The change orders was the sneaky way that you came into a job
1432 late at a low price and you used up --

1433 Ms. White. We call it -- we call it buy-in the job.

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1434 Mr. Mullin. Right. And then so now you get jobs all the
1435 time and change orders aren't allowed. They will tell you right
1436 off the bat. Change orders are not allowed until the -- unless
1437 the GC instructs change orders because, you know, every change
1438 order comes with another change order from everybody downstream.

1439 Ms. White. Right.

1440 Mr. Mullin. So that's how you get out of hand. So are these
1441 -- are these bid by federal contractors? Who are these bid by?

1442 Ms. White. So usually it is -- a LLC is set up by a group
1443 of large contractors -- Jacobs, Fluor, Bechtel.

1444 Mr. Mullin. So were they -- that are federal employees
1445 that's out there working on it?

1446 Ms. White. So we have oversight responsibility but we don't
1447 do the field work.

1448 Mr. Mullin. So who is the general contractor on the job
1449 sites?

1450 Ms. White. So the general contractor on the job site would
1451 be considered probably the president of the LLC.

1452 Mr. Mullin. And the LLC bids the project and then moves
1453 forward?

1454 Ms. White. Yes, under our end-state contracting model how
1455 it is going to work is we select people based on personnel first
1456 because, based on my experience in the field, that's the most
1457 important factor for a successful project.

1458 Mr. Mullin. Personnel -- explain that one to me.

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1459 Ms. White. So that's their key personnel. Who the company
1460 is bidding to be the president --

1461 Mr. Mullin. Well, to me, anybody that's been on this job
1462 site should be fired. They are not doing their job right. So
1463 how are you basing it personnel? I am just giving you the facts
1464 of the matter. I am a business man and this is what I do for
1465 a living so I get it. I would keep no one there.

1466 If I am taking over a company that's failing, which these
1467 projects are failing because they are going way over budget and
1468 no end in sight, why would I keep the management intact?

1469 Ms. White. I am not saying we are. I am just telling you
1470 the way we are rolling out this contracting model and how it is
1471 different and how it is going to improve performance.

1472 Mr. Mullin. But I have questions when you're saying you're
1473 basing it on personnel. What personnel are you looking for?
1474 Because the model to which is being used isn't successful. It
1475 is kind of difficult for me to say that I am going to bid a job
1476 based on the personnel to which is coming forward.

1477 Ms. White. There's a number of factors. It is not the only
1478 factor.

1479 Mr. Mullin. It should be based on the -- on the work that
1480 needs to be done and is the company capable of delivering it or
1481 not.

1482 Ms. White. Yes, and all of those factors are involved as
1483 well.

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1484 Mr. Mullin. But you are saying you are -- and I am not --
1485 I will wrap up in just a second. I just want to clarify what
1486 you're saying on here. You are saying you're basing the bid on
1487 personnel.

1488 Ms. White. No, I am not.

1489 Mr. Mullin. But that's what you said.

1490 Ms. White. There's three factors. It is personnel, it is
1491 work scope, and it is their organization. So there's a number
1492 of factors involved in the bidding process and the most important
1493 thing that is going to improve performance is the post-award
1494 negotiations which will limit or eliminate change orders.

1495 Mr. Mullin. Everything you said is why federal contracts
1496 cost so much. When you're bidding a job, double it. You're still
1497 not going to come in on it.

1498 Thank you. I yield back.

1499 Mr. Kennedy. Chair thanks the gentleman. The chair
1500 recognizes the gentlelady from New Hampshire, Ms. Kuster, for
1501 five minutes.

1502 Ms. Kuster. Thank you very much and thank you for being
1503 with us today.

1504 You know, I think the frustration you hear in a bipartisan
1505 way is that we are hired by the constituents to protect public
1506 safety and to protect the public dollars. These are hard-earned
1507 tax dollars and it is our role to find that balance, and we want
1508 to work with you.

1509 But when you're talking hundreds of billions of dollars I
1510 think it is important for us to have a plan and have a strategy
1511 and not just continue to come back and pour more money after --
1512 good money after bad. And so I think that's what you are hearing
1513 from us.

1514 I noted in the GAO report that the Office of Environmental
1515 Management -- and I am just going to quote here -- lacks the
1516 information needed to evaluate overall project performance and
1517 assess whether it has sufficient staff or the right staff with
1518 the rights skills to carry out the cleanup mission.

1519 Now, you didn't create the problem and I appreciate you
1520 coming on to do your part to clean this up. Let me start, Mr.
1521 Trimble, with you.

1522 Does the Office of Environmental Management have sufficient
1523 capacity to appropriately handle the cleanup of our nation's most
1524 hazardous sites at this time?

1525 Mr. Trimble. I think that is a key question and I would
1526 encourage Anne to -- as they embark on these new initiatives to
1527 do an assessment of that.

1528 One, you know, we have talked about DOE headquarters having
1529 a project management office. You know, they can avail themselves
1530 of that office. But I would note that there is a robbing Peter
1531 to pay Paul aspect of what is going on because in fact there was
1532 a Paul Bosco who moved from that office over to EM to support
1533 EM in this transformation. But that just tells you how thin the

1534 bench is, right --

1535 Ms. Kuster. Right.

1536 Mr. Trimble. -- both at DOE headquarters and in the EM.

1537 So as they assess this, you know, Assistant Secretary -- you
1538 know, the efforts by the assistant secretary is great but you
1539 need the horses on your bench to carry out because there is a
1540 hundred other issues the assistant secretary has to manage and
1541 you need the resources to do that, and I think an assessment of
1542 that in terms of the skilled staff and the level of staffing is
1543 important.

1544 Ms. Kuster. And then let me ask you, Ms. White, the same
1545 question. Does your office have sufficient capacity to
1546 appropriately handle cleanup of our nation's most hazardous sites
1547 and my understanding is we are down to a dozen or so but these
1548 are the most challenging sites.

1549 Ms. White. Yes. So we are having a look at that, especially
1550 within the context of some of our new approaches and innovations.

1551 So we are having a close look at that and that is something that
1552 is in process as we speak, and I also -- we are required, EM,
1553 to have an advisory board. So ours is creatively called EM
1554 Advisory Board and we are also having them take a look at this
1555 issue for us.

1556 Ms. Kuster. And can I just ask, as the Oversight
1557 Subcommittee of our Energy and Commerce Committee if we can be
1558 considered part of your advisory board if you could report back

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1559 to us on that assessment of staff and personnel whether you have
1560 the right people with the right skills.

1561 So here is my -- another concern that I have. In March,
1562 DOE released its fiscal 2020 budget request. But this
1563 administration has proposed reducing the Office of Environmental
1564 Management budget to \$6.5 billion, which is about 10 percent
1565 reduction below last year, 2019. This seems to me like we are
1566 headed in the wrong direction. How will cutting your budget by
1567 10 percent help bring down the program's substantial
1568 environmental liability and help clean up these sites?

1569 Ms. White. So the budget request is adequate for what we
1570 need to get done for 2020 and I feel confident that the work scope
1571 we have planned will get accomplished within the current budget.

1572 Ms. Kuster. But how do we work through the backlog of sites
1573 and -- look, I am not a nuclear engineer but I am a mom and a
1574 citizen and I can tell you that leaving it out there longer waiting
1575 for some type of sabotage, some type of accident, is not making
1576 our constituents across this country safer. So how is cutting
1577 your budget helping you to deal with the backlog of these sites?

1578 Ms. White. Again, the budget we requested is adequate for
1579 the scope we have planned. Is the scope we have planned going
1580 to bring down liabilities? Maybe it is not the right scope.

1581 So we are working very diligently, as I said, with our
1582 end-state contracting model to ensure we have a great
1583 understanding of our work scope and then stick to the plan. Have

1584 a plan, stick to the plan.

1585 Ms. Kuster. My time is up. But with your indulgence, Mr.
1586 Chair, could I ask Mr. Trimble's comment on that?

1587 Mr. Kennedy. Please.

1588 Mr. Trimble. Yes. The budget -- I mean, I think the danger
1589 without trying to get a handle on the backlog of liability is
1590 important because at some point this growth and dynamic we are
1591 seeing starts to resemble an interest-only loan on your house,
1592 right, and you can't --

1593 Ms. Kuster. Just what I was thinking of. We are not making
1594 progress.

1595 Mr. Trimble. You're not bringing down the principal. One
1596 observation regarding the budget and the -- sort of connecting
1597 that to the lack of a sort of strategic plan here is if you have
1598 a longer-term plan you realize this mission continues to 2070,
1599 2080, you will look out over that time and realize we have a
1600 challenge with cesium removal or a challenge with this.

1601 I need technology to answer that to lower our cost. You
1602 do that through technology development. What I noted in the
1603 budget is I think their -- the amount for technology development
1604 was zeroed out, and this is important because there is currently
1605 a National Academy of Sciences that has been helping EM on the
1606 issue of technology development to help EM achieve its mission.

1607 So I think --

1608 Ms. Kuster. But we are not going to move into the future

1609 with zero research and development.

1610 Mr. Trimble. It is a -- it is a question.

1611 Ms. Kuster. Great. Thank you very much, and I yield back.

1612 Mr. Kennedy. Thank you. The chair thanks the gentlelady
1613 and recognizes Mr. Duncan from South Carolina for five minutes.

1614 Mr. Duncan. Thank you. Thank you both for being here.

1615 And I am sitting here listening to the testimony and
1616 listening to the questions today and I wonder how many members
1617 of Congress -- how many members of this committee -- have actually
1618 been to Hanford, Washington, or to Savannah River Site or Idaho
1619 Flats or Oak Ridge, Tennessee.

1620 How many have actually taken the time to understand what
1621 we are talking about today? Because in the production of the
1622 nation's atomic arsenal we use chemical separation facilities
1623 and there's only one chemical separation facility left in the
1624 nation and that is H Canyon at Savannah River Site.

1625 Now, Savannah River Site is different than Hanford. Hanford
1626 is a closure site. That means we are going to close it down.

1627 We are going -- we are going to clean up the property and,
1628 ultimately, it is going to be just a cleaned up site. Savannah
1629 River Site has continuing emissions for this nation and H Canyon
1630 is vital.

1631 But when H Canyon is operating, there will be waste created
1632 that'll ultimately have to be taken out of these tank farms.
1633 What we are talking about are tank farms. Huge 800,000 gallon

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1634 tanks and usually there is, what, 12, 15 in a tank farm? Fifteen
1635 800,000 gallon tanks. Those tanks are bigger than the room we
1636 are sitting in right now.

1637 And so when the plutonium is created for our nation's
1638 arsenal, when the stuff separated away to find the plutonium and
1639 use it, this stuff settles out in the tank farms, much like a
1640 septic tank where liquids flow, solids settle down, then the next
1641 set, more solids settle down.

1642 And so you've got all this stuff underground in carbon fiber
1643 -- carbon steel tanks, rather. Some of these at Hanford are
1644 single-wall carbon steel tanks, which are starting to leak.

1645 Where does Hanford sit? It sits on the Columbia River.
1646 Where does Savannah River Site sit? It sits on the Savannah
1647 River. Where does Oak Ridge sit? On the Tennessee River.

1648 These are areas that are environmentally sensitive that
1649 could affect a lot of people and our nation's environment had
1650 this waste leaked into the soil and ultimately got into the river
1651 system in the Columbia River with regard to Hanford.

1652 And so Savannah River Site, we have 35 million gallons came
1653 out of 43 tanks. That waste has been vitrified. That means it
1654 has been turned into glass. While it was still molten, it
1655 actually filled up ten-foot stainless steel canisters.

1656 These canisters still sit at Savannah River Site but they
1657 were destined to go to Yucca Mountain. But when we decided we
1658 were going to not use Yucca Mountain for its intended purposes,

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1659 which was the law of the land, that waste -- defense waste still
1660 sits at Savannah River Site along with plutonium that's got to
1661 go somewhere that came out of the nonproliferation.

1662 And so we have got all this waste. Let us go back to Hanford.

1663 Hanford is a cleanup site. They not only had tank farms, they
1664 also found a bunch of radioactive material all over the site that
1665 had to be taken care of. That waste has to go somewhere.

1666 And so there is challenges when you have an 800,000 gallon
1667 tank underground to get into that tank to get the waste out.

1668 When I was in Hanford in 2008 they were worried about the lid
1669 collapsing on the tank so they were going through 12- and 14-inch
1670 pipes into those tanks to try to clean it up.

1671 Now, we are talking about solids in there. We are talking
1672 about peanut butter paste like semi-solids. We are talking about
1673 salt waste. We are talking about liquids. Liquids are easy to
1674 pump out. But how are you going to -- peanut butter type waste
1675 out from inside that tank? They were sticking robots into that
1676 tank operating to push that solid up -- that semi-solid up to
1677 get it out of that tank. It was a challenge.

1678 That's where some of the costs comes from. Finally, they
1679 discovered they could cut into the tank and it has made it much
1680 easier to get into those 800,000 gallon tanks to get that waste
1681 out.

1682 But once that waste has come out at Hanford, it has got to
1683 be vitrified. It has got to be solidified so that it doesn't

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1684 leak into the soil and whatever capacity we decide to store it
1685 in as a nation we can't have it continuing to leak into the ground.

1686 So they turn it to glass. Glass doesn't go anywhere. It
1687 doesn't leak into the ground. But these are costs. I am a fiscal
1688 hawk. I really believe we ought to look at every dollar this
1689 nation spends.

1690 But I believe my constituents and people around the nation
1691 would be okay with spending money to get the waste out of these
1692 tanks to keep it from leaking in the Savannah River, to keep it
1693 from leaking into the Columbia River or the Tennessee River or
1694 wherever it may be, versus a lot of money our government spends
1695 on other things.

1696 Environmental Management, they spent \$48.5 billion since
1697 2011. If you go back, pass that for decades, you had stimulus
1698 money, ARA money trying to build vitrification facilities, high
1699 waste -- liquid disposal sites at Hanford to deal with this waste.

1700 The liability is \$377 billion. I will guarantee the
1701 liability will go up if that waste makes it to the river. It
1702 is already in the ground at Hanford in some places and having
1703 to be cleaned up.

1704 So this is a great hearing to talk about the environmental
1705 management of this waste that came out of our weapons programs
1706 in sites all over this country that are being cleaned up but also
1707 a reminder that we are going to continue making waste at Savannah
1708 River Site because it has ongoing missions and how we deal with

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1709 that waste is something that we ought to continue talking about
1710 and I want to challenge every member of this committee --
1711 subcommittee and full committee -- to take it upon yourselves
1712 to go to Hanford and understand what they are dealing with with
1713 800,000 gallon underground tanks and tank farms. Multiple tanks,
1714 not just one.

1715 Go to Savannah River Site and understand what they are
1716 dealing with with underground tanks, what they are dealing with
1717 in H Canyon, its ongoing missions, and the waste that will be
1718 created then, because this isn't going away as our nation
1719 continues to try to be safe in a global environment that we have.

1720 And so I thank the department for what they do and I am
1721 standing in your corner as a member of the Cleanup Caucus to try
1722 to help clean up this nation, and I yield back.

1723 Ms. White. Thank you.

1724 Mr. Kennedy. The chair thanks the gentleman and the chair
1725 recognizes himself for five minutes for questions.

1726 I want to thank the witnesses for being here, for the work
1727 that you do, and for coming to try to address, as Mr. Duncan put
1728 it, some critical issues that our government needs to address
1729 and I think the question being how do we do so as expeditiously
1730 and as efficiently as we possibly can.

1731 So building off of a little bit of what Mr. Duncan indicated,
1732 since 2011 EM has spent over \$45 billion to try to address the
1733 cleanup responsibilities. And yet, we seem no closer to cleaning

1734 up these sites or reducing the department's environmental
1735 liabilities.

1736 In fact, DOE reported that the environment liabilities
1737 managed by EM grew to \$377 billion last year -- \$100 billion
1738 increase from the year before and more than double what it was
1739 in 2011.

1740 So I want take a few minutes to try to figure out what we
1741 have bought with all the money we are spending and how we can
1742 try to start to buy down some of that liability.

1743 Mr. Trimble, to begin with, how have the cleanup activities
1744 at -- that EM has spent money on in recent years gotten us closer
1745 to actually cleaning up the sites and why are we spending more
1746 and yet seeing that liability continue to grow?

1747 Mr. Trimble. Well, there has been accomplishments with the
1748 money spent. I think there -- you know, you can't deny the
1749 commitment and the professionalism of the folks in the field doing
1750 this work.

1751 I think the challenge, from our perspective, is should we
1752 have gotten more done with the same amount of money, and to answer
1753 that question you need to have used program and project management
1754 best practices because that is how you are able to measure and
1755 manage your work to achieve results and that is what we haven't
1756 seen.

1757 Mr. Kennedy. And do you expect that those will be adopted,
1758 going forward?

1759 Mr. Trimble. I am encouraged by the direction Assistant
1760 Secretary White is taking. I think, obviously, the proof is in
1761 the pudding. Ultimately, we will have to see how those get
1762 implemented.

1763 My concern, again, being sort of the doubting Thomas, is
1764 the scope of the changes we are talking about are fundamental.
1765 They involve more than just EM. They involve all of DOE and
1766 the commitment of senior leadership there.

1767 The changes we are talking about, you know, EM has had, what,
1768 I think about seven assistant secretaries since 2010 or so. You
1769 know, I am hoping Assistant Secretary White is there for another
1770 10 years. I mean, it would be great to have that kind of
1771 continuity and commitment to this mission.

1772 But the danger has always been you have transition. The
1773 other thing is the EM as a mission within DOE has sort of been
1774 the neglected child that has been moved around multiple times
1775 within the organization. Even though its budget is bigger than
1776 -- science has its own under sector. EM's budget, just its budget
1777 is bigger than science. You add in the liability, I don't know
1778 what -- maybe NNSA is bigger but nobody's bigger. And yet, they
1779 are only at the assistant secretary level.

1780 Mr. Kennedy. And so I wanted to build off of a little bit
1781 of what you said. A significant portion of those cleanup dollars,
1782 some 30 to 60 percent for individual sites' budgets, according
1783 to testimony, is going to what's called minimum safety, or min

1784 safe, work.

1785 What is min safe work referring to and why should we be
1786 concerned about it?

1787 Mr. Trimble. Min safe is -- it is overhead. I don't --
1788 I don't mean to be dismissive of the need to do that overhead.
1789 You're talking about keeping the water running, the electricity,
1790 the guard force, keeping buildings from collapsing.

1791 The challenge there is that the percentage of min safe is
1792 huge. As a total of the budget, it is 42 percent. Some -- several
1793 sites it is over 50 percent. At one site, it is over 70 percent.
1794 So that means is the dollars actually going to cleanup are a
1795 fraction of what is appropriate.

1796 Mr. Kennedy. So, Ms. White, kind of using that as -- turn
1797 to you, how can we continue to make progress on the underlying
1798 -- building off of the testimony of Ms. Kuster as well about the
1799 interest-only mortgage -- how can you continue to or how can we
1800 make progress on the underlying liabilities if such a large
1801 percentage of this is just simply going to min safe work?

1802 Ms. White. Right. So that is actually kind of a pet peeve
1803 of mine. Some of my people could share that with you. So we
1804 are actually launching on a major initiative where we are looking
1805 at, okay, how are we defining min safe, how are we looking at
1806 landlord services, and are we mixing some of those things up,
1807 which will allow us, I believe, to mine some money out of that
1808 min safe bucket but still be absolutely and completely safe ops.

1809 So we are actually very excited about it.

1810 Mr. Kennedy. And GAO, I understand, has also reported that
1811 the department's estimates of environmental liabilities is likely
1812 to continue to grow as we have discussed. Recently, DOE issued
1813 a life cycle cost report for the Hanford site which said that
1814 cleanup could take until the year 2078, as we heard earlier, and
1815 cost as much as \$677 billion, a figure that the secretary of energy
1816 called shocking.

1817 That is just one site and doesn't include the cleanup costs
1818 of the other 15 sites. So I think we can all agree that \$677
1819 billion is a big number. Do you believe that that estimate for
1820 the Hanford site is accurate and, if so, how much will EM
1821 liabilities grow next year as a result?

1822 Ms. White. So I believe it is accurate. I don't expect
1823 to see it to grow. One thing I do want to state is we are actually
1824 -- EM is doing well on most of our sites. Our big challenge is
1825 the tank waste at Hanford and that's really what's been driving
1826 the liability increases all along.

1827 Mr. Kennedy. All right. One moment.

1828 I want to thank our witnesses for their participation at
1829 the hearing. I want to thank our colleagues as well for their
1830 questions. Clearly, it is an important area that we need to get
1831 right and I remind members that pursuant to committee rules they
1832 have 10 business days to submit additional questions for the
1833 record to be answered by witnesses who have appeared before the

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1834 subcommittee. I ask the witnesses to agree to promptly respond
1835 to any such questions you should receive.

1836 And with that, the subcommittee is adjourned. Thank you
1837 very much.

1838 [Whereupon, at 12:05 p.m., the committee was adjourned.]