

The Honorable Rodney Frelinghuysen
Chairman, Energy and Water Development Subcommittee
House Committee on Appropriations
Hearing on the Budget for the Department of Energy's Office of Environmental
Management
March 20, 2013
Opening Statement As Prepared

Good morning, everyone. Today, we have two panels before the Subcommittee to discuss management of the Department of Energy's major construction projects.

For years, the Department of Energy has struggled to keep its contractor-run projects within their cost, scope, and schedule estimates. This hearing will focus specifically on what reforms have been made and what else needs to be done to address the persistent problems the Department has had in managing its large nuclear projects. Specifically, we will discuss the root causes of performance issues associated with the Waste Treatment Plant and the Salt Waste Processing Facility under the Environmental Management program, and the MOX Fuel Fabrication Facility and the Uranium Processing Facility under the National Nuclear Security Administration. Three of these projects are now undergoing a cost and schedule re-estimate...a "baseline review"... to account for further delays and the fourth is being redesigned, so we are anticipating growth above what already totals approximately \$25 billion in costs to the taxpayer.

In our first panel, we have three individuals who have been at the center of the Department's efforts to reform how these projects are being managed. Mr. Paul Bosco is the Director of the Office of Acquisition and Project Management, which is the Department of Energy's central organization responsible for project management and cost estimating for the various program offices of the Department. Mr. Bob Raines is the Associate Administrator for Acquisition and Project Management for the National Nuclear Security Administration. Mr. Jack Surash is the Deputy Assistant Secretary for Acquisition and Project Management for the Environmental Management program. This is the first time you have testified before this subcommittee and we welcome you.

In our second panel, we will have Mr. Dave Trimble, Director of the Natural Resources & Environment group for the Government Accountability Office, Mr. Mike Ferguson, Chief of Cost Engineering for the Huntington District from the Army Corps of Engineers, and Mr. William Eckroade, Principal Deputy Chief of Operations for the Department of Energy's Office of Health, Safety, and Security.

The GAO has worked extensively on DOE project management and has made a number of recommendations to encourage the Department to adopt better practices. The Army Corps of Engineers has also provided assistance to both NNSA and EM for several years now, and continues to serve as a resource for new ideas and models to complete projects more effectively. The Office of Health, Safety, and Security, as an independent oversight organization within the Department of Energy, has also provided EM and NNSA with a

number of recommendations on how its major projects are being managed with an emphasis on ensuring these complex nuclear facilities will meet standards for quality and safety. We look forward to hearing from this panel on the recommendations their organizations have made and how they continue to work with the Department to improve project management.

Please ensure that the hearing record, responses to the questions for the record, and any supporting information requested by the Subcommittee are delivered in final form to us no later than four weeks from time you receive them. I also ask that if Members have additional questions they would like to submit to the Subcommittee for the record, that they please do so by 5:00 PM tomorrow.

With those opening comments, I would like to yield to our ranking member, Ms. Kaptur, for any opening comments that she would like to make.

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