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# Highlights

Highlights of [GAO-03-583](#), a report to Congressional Requesters

## Why GAO Did This Study

As a separately organized agency within the Department of Energy (DOE), the National Nuclear Security Administration (NNSA) administers the Stockpile Life Extension Program, whose purpose is to extend, through refurbishment, the operational lives of the weapons in the nuclear stockpile. NNSA encountered significant management problems with its first refurbishment. NNSA has begun three additional life extensions. This study was undertaken to determine the extent to which budgetary, cost accounting, and other management issues that contributed to problems with the first refurbishment have been adequately addressed.

## What GAO Recommends

GAO recommends that NNSA undertake a number of actions to improve the budgeting, cost accounting, and management associated with the Stockpile Life Extension Program. Those actions are, among other things (1) including the Stockpile Life Extension Program as a formal program in NNSA's annual budget; (2) establishing a cost accounting process that accumulates, tracks, and reports the full costs of each refurbishment; and (3) implementing a series of management actions related to improving planning, organization, and oversight of cost and schedule. NNSA recognized the need to change how the program is managed and agreed with GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-03-583](http://www.gao.gov/cgi-bin/getrpt?GAO-03-583).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin N. Nazzaro at (202) 512-3841 or [nazzaror@gao.gov](mailto:nazzaror@gao.gov).

## NUCLEAR WEAPONS

# Opportunities Exist to Improve the Budgeting, Cost Accounting, and Management Associated with the Stockpile Life Extension Program

## What GAO Found

GAO found that NNSA's budget for the Stockpile Life Extension Program has not been comprehensive or reliable. For instance, the fiscal year 2003 budget for this program was not comprehensive because it did not include all activities necessary to successfully complete each of the refurbishments. As a result, neither NNSA nor the Congress was in a position to properly evaluate the budgetary tradeoffs among the refurbishments in the program.

NNSA does not have a system for tracking the full costs associated with the individual refurbishments. Instead, NNSA has several mechanisms that track a portion of the refurbishment costs, but these mechanisms are used for different purposes, include different types of costs, and cannot be reconciled with one another. As a result, NNSA lacks information regarding the full cost of the refurbishment work that can help identify cost problems as they develop or when management intervention in those cost problems may be necessary.

Finally, NNSA does not have an adequate planning, organization, and cost and schedule oversight process. With respect to planning, NNSA has not, for instance, consistently developed a formalized list of resource and schedule conflicts between the individual refurbishments in order to systematically resolve those conflicts. Regarding organization, NNSA has not, for example, clearly defined the roles and responsibilities of those officials associated with the refurbishments or given the refurbishments' managers proper project/program management training required by DOE standards. Finally, NNSA has not developed an adequate process for reporting cost and schedule changes or developed performance measures with sufficient specificity to determine the progress of the three refurbishments that GAO reviewed. As a result, NNSA lacks the means to help ensure that the refurbishments will not experience cost overruns potentially amounting to hundreds of millions of dollars or encounter significant schedule delays.

### B-61 Bombs to be Refurbished



Source: NNSA.