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Richardson Orders Actions to Get NIF Back on Track

Secretary of Energy Bill Richardson today ordered a series of actions to address the schedule and cost problems with the construction of the National Ignition Facility (NIF) at the Department of Energy's Lawrence Livermore National Laboratory (LLNL). The following is the text of Richardson's statement:

"I am deeply disturbed to learn of projected cost overruns and scheduling delays associated with the Department's National Ignition Facility Project. I also am gravely disappointed with the University of California and the Department of Energy's Lawrence Livermore National Laboratory for its 'late reporting' to the Energy Department of these significant problems. Today, I have directed a six-step approach to respond immediately and forcefully to these concerns and get the project back on track at the least cost and schedule impact.

"First, I am making a major change in how Livermore executes its responsibility for the NIF project. Major assembly and integration will no longer be done in-house, but will be contracted out to the best in industry with a proven record of constructing similarly complex facilities.

"Second, I am appointing an independent expert panel to do an in-depth analysis of options and to recommend the best technical course of action. Proper, credible stewardship to maintain the safety, security and reliability of our Nation's nuclear deterrent must remain central to our solution.

"Third, I expect all cost issues to be handled within our DOE defense programs and Lawrence Livermore National Laboratory (LLNL) budget funding lines. We will reprioritize our national security program to reallocate dollars, people, and other resources – so the U.S. taxpayer does not foot additional bills because of these problems."

"Fourth, our contractors will be held accountable. I consider the funding issues with the NIF project a significant disruption; therefore, in accordance with our contract with UC, we will withhold at least \$2M of the \$5.6 million of the 'at risk' program performance fee. Based upon the final results of the

independent review committee, we may withhold a greater amount of the fee. The University of California must assume a stronger role in the oversight of research and development projects at the laboratories they manage for us, such as NIF.

"Fifth, DOE management oversight will be strengthened. I directed the Deputy Secretary to include this project on the Department's 'Project Management Watch List' forcing very stringent monthly DOE HQ review and compliance to other strict reporting structures. On June 25th, we announced an initiative to strengthen and improve the Department's project management. NIF is now center stage in that oversight program.

"Sixth, the laboratory official responsible for NIF has already resigned due to non-related personal issues, but I expect LLNL to initiate a management review to take action against any personnel who kept these issues from the Department as late as early June when I was informed that NIF was 'on cost and on schedule.' I have directed the department to conduct a complete and thorough review of this very serious issue. Denial of these kinds of problems is unacceptable. I want to be assured that when we learned about the problems the appropriate federal and contractor oversight roles were performed properly and in a timely manner. I expect to hear very soon from LLNL on what further management actions they intend to take to insure the problems with NIF get resolved.

"NIF is a leading edge science program that is very important to our national security mission and has great potential for scientific discovery. Clearly, we have had a major project management surprise in our quest for a quantum leap program for laser physics. The NIF Project has undergone seven scientific and four management reviews, including a Congressionally-mandated review completed this spring. None of the reviews identified our current problems. The reviews confirmed the scientific basis and technical approach for the NIF project. We are looking into why the current issues were not clearly brought out for our immediate resolution before we got to this point.

"The problems with NIF are not technological -- the underlying science of the NIF remains sound. These are project management issues, and we will get ahead of these problems and turn them around with aggressive and tighter management action from this department."

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