

Committee on Science

F. James Sensenbrenner, Jr., Chairman

Ralph M. Hall, Texas, Ranking Democrat

www.house.gov/science/welcome.htm

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COMMITTEE REQUESTS GAO REVIEW OF DOE'S NIF PROJECT

Questions Raised About Costs, Schedule, and Management

WASHINGTON, D. C. – House Science Committee Chairman F. James Sensenbrenner (R-WI) and Ranking Minority Member Ralph M. Hall (D-TX) sent a letter to the General Accounting Office (GAO) asking for a review of the Department of Energy's (DOE) National Ignition Facility (NIF) project. Concerned that "problems may herald the demise of yet another large DOE construction project," the Members asked David M. Walker, Comptroller General of the GAO, to review the budgetary practices and timetable of this estimated \$1.2 billion project.

The Members' letter states, "Recent news stories as well as other sources near the project are raising questions about costs, schedule and management of the project – questions that this Committee has wrestled with in relation to other large DOE projects in the past. In addition, we have learned of potential plans to move some of those costs into civilian R&D accounts at DOE, hiding the true cost of the project and impinging upon the fiscal integrity of already underfunded civilian R&D. Finally, much of the rationale for the project has been rooted in claims of spin-offs for civilian economic applications. All of these considerations lead us to conclude that the Committee would ignore this program at our peril."

The full text of Sensenbrenner and Hall's letter is attached.

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106-85

September 13, 1999

The Honorable David M. Walker

Comptroller General

General Accounting Office

441 G St. N.W.

Washington, DC, 20548

Dear Mr. Walker:

The National Ignition Facility is a 1.2 billion dollar construction project currently underway at Lawrence Livermore National Laboratory (LLNL). While it is primarily funded out of the Defense Programs account at the Department of Energy (DOE), DOE Office of Science funds are planned to be used to develop some of the necessary components.

Recent news stories as well as other sources near the project are raising questions about costs, schedule and management of the project – questions that this Committee has wrestled with in relation to other large DOE projects in the past. In addition, we have learned of potential plans to move some of those costs into civilian R&D accounts at DOE, hiding the true cost of the project and impinging upon the fiscal integrity of already underfunded civilian R&D. Finally, much of the rationale for the project has been rooted in claims of spin-offs for civilian economic applications. All of these considerations lead us to conclude that the Committee would ignore this program at our peril.

According to a September 1, 1999 story in the Associated Press, George Miller, Acting Director of Laser Programs, has acknowledged that the project is "significantly over its \$ 1.2 billion budget" and that the 2003 start date is delayed. Miller is quoted as saying "over the last month, the lab's external reviewers had "developed concerns about the schedule and cost of the project." An August 31, 1999 article in the Albuquerque Tribune cites the concerns "among staff at the other DOE labs - Sandia and Los Alamos in New Mexico - that the NIF has cornered too much of the DOE's budget, squeezing the funding potential for other programs."

Discussions with sources close to the program cited several technical problems with NIF that could prove to be 'showstoppers.' These were stated in the Albuquerque Tribune article to be in the areas of target fabrication, diagnostic equipment, and optics. The sources also described proposed accounting maneuvers being planned by NIF managers that would obscure the degree to which these difficulties would cost extra money and take more time: one such maneuver would create new accounts to address the difficulties, even though funds for NIF were expected to include solutions to these technical problems, the second would obtain the necessary extra funds from other projects at DOE labs, including some civilian R&D accounts, and the third would shift some of these costs into future operating costs of

the facility.

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Finally, many of the press stories surrounding this issue have also reported that the former Director of Laser Programs, Mr. E. Michael Campbell, resigned because it was discovered that he had claimed to have a Ph.D. when in fact he did not. Questions have been raised as to whether Mr. Campbell submitted false information on his applications for security clearances, and also as to whether Mr. Campbell, who has been employed at LLNL since 1977, was paid a higher salary than he would have received had his true educational qualifications been known.

We are concerned that these problems may herald the demise of yet another large DOE construction project, as well as the reported failure of DOE, LLNL and NIF managers to run the project on budget, on schedule, and without attempting to obscure key problems from Congress. Consequently, we ask that GAO conduct a review of the program which answers the following questions:

1. How large is the reported cost overrun and how behind schedule is the project?
2. What technical and/or management problems led to the cost overrun and failure to meet the target schedule dates?
3. At what point did LLNL, DOE and NIF management (including the Inertial Confinement Fusion Managers group, which reportedly held monthly meetings or conference calls) become aware of the technical, budgetary and scheduling difficulties associated with the project?
4. In what way will the cost overrun affect other programs at DOE, particularly civilian R&D?
5. Did DOE, LLNL or NIF management plan to obscure the true technical difficulties or added costs of the program through the creation of 'new' research programs, and/or through obtaining the funds from other projects at DOE labs. Was there any effort to shift these costs to future operating costs of the facility?
6. Did Mr. E. Michael Campbell submit false information on his applications for security clearances, and if so, have the appropriate steps been taken in response?
7. Did Mr. E. Michael Campbell earn a higher salary than he would have had his true educational background been disclosed to LLNL? If so, what steps are being taken to reimburse the U.S. government?

Please contact Dr. Michal Freedhoff of the Science Committee Minority staff and Dr. Harlan Watson of the Science Committee Majority staff to discuss this request.

Sincerely,

F. JAMES SENSENBRENNER RALPH M. HALL

Chairman Ranking Democratic Member