Nation's Bloated Nuclear Spending Comes Under Fire

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LOS ALAMOS, N.M. (AP) — At Los Alamos National Laboratory, a seven-year, $213 million upgrade to the security system that protects the lab's most sensitive nuclear bomb-making facilities doesn't work. Those same facilities, which sit atop a fault line, remain susceptible to collapse and dangerous radiation releases, despite millions more spent on improvement plans.

This Aug. 17, 2012 file photo shows signs warning against trespassing onto the Y-12 National Security Complex in Oak Ridge, Tenn. The price tag for a new uranium processing facility in Tennessee has grown nearly sevenfold in eight years to upward of $6 billion because of problems that include a redesign. The nuclear labs are getting renewed scrutiny in light of forced across-the-board federal budget cuts and high-profile security lapses, such as an incident last year in Tennessee. Protesters there cut through a fence and spread blood on the walls of a plutonium lab before being detected. **(AP Photo/Erik Schelzig)**

In Tennessee, the price tag for a new uranium processing facility has grown nearly sevenfold in eight years to upward of $6 billion because of problems that include a redesign to raise the roof. And the estimated cost of an ongoing effort to refurbish 400 of the country's B61 bombs has grown from $1.5 billion to $10 billion.

Virtually every major project under the National Nuclear Security Administration's oversight is behind schedule and over budget — the result, watchdogs and government auditors say, of years of lax accountability and nearly automatic annual budget increases for the agency responsible for maintaining the nation's nuclear

stockpile.

The NNSA has racked up $16 billion in cost overruns on 10 major projects that are a combined 38 years behind schedule, the U.S. Government Accountability Office reports. Other projects have been cancelled or suspended, despite hundreds of millions of dollars already spent, because they grew too bloated.

Advocates say spending increases are necessary to keep the nation's nuclear arsenal operating and safe, and to continue cutting-edge research at the nation's nuclear labs. But critics say the nuclear program — run largely by private contractors and overseen by the NNSA, an arm of the U.S. Energy Department — has turned into a massive jobs program with duplicative functions.

"The post-Cold War nuclear warhead complex has become a gigantic self-licking ice cream cone for contractors," said Greg Mello of the Los Alamos Study Group, a watchdog organization.

U.S. Sen. Claire McCaskill, chairwoman of the Senate Homeland Security financial and contracting oversight subcommittee, said a key problem is the Energy Department's reliance on private contractors to carry out its mission. The DOE has fewer than 16,000 employees and more than 92,000 contractors.

"Unfortunately for the taxpayer ... cost overruns, scheduled delays and technical failures are the rule, not the exception," said McCaskill, D-Mo. "We need to find a better way to do this because we can't just afford the status quo anymore."

The retired head of one of those contractors, former Lockheed Martin CEO Norman Augustine, told Congress this spring that the absence of day-to-day accountability and an ineffectual structure at the NNSA pose a national security risk. He described a "pervasive culture of tolerating the intolerable and accepting the unacceptable."

DOE and NNSA officials agree there are problems. Energy Secretary Ernest Moniz said earlier this month that addressing the cost overruns, and also embarrassing security breaches at some facilities, is a top priority. A congressionally appointed panel, co-chaired by Augustine recently began studying a potential overhaul of the NNSA.

Moniz acknowledged some projects had seen "substantial cost overruns" and said he considers the review by the panel "a good chance to ... have this dialogue and reach a conclusion."

An NNSA spokesman referred The Associated Press to congressional testimony by the agency's project and acquisitions manager, Bob Raines, who said projects completed in the last two years had met cost goals and finished under budget.

"We are making progress," Raines testified in March before a House subcommittee.

These issues at the NNSA aren't new. The agency, along with the Defense Department and programs such as Medicare and Medicaid, is cited regularly in a

GAO report of agencies considered "high-risk" due to their vulnerabilities to fraud, waste and mismanagement or because they are most in need of broad reform.

However, the nuclear labs are getting renewed scrutiny in light of forced across-the-board federal budget cuts and security lapses such as an incident last year in Tennessee. Before finally being detected, an elderly nun and two other protesters cut through security fences, hung banners and crime-scene tape and hammered off a small chunk of a building inside the complex that is the nation's central repository for bomb-grade uranium.

At Los Alamos, officials late last year announced that a new security system meant to protect the only place in the country where nuclear weapon triggers are made didn't work, and they would need $41 million and six more months to fix it. Lab officials said the system is now nearing completion.

That is the same area that oversight officials worry is susceptible to earthquake damage. The Defense Nuclear Facilities Safety Board, which evaluates health and safety conditions at U.S. nuclear facilities, has been working with DOE and NNSA to ensure that contractors are adequately upgrading a Los Alamos facility after studies showed the potential for a major earthquake in the area to be 300 percent greater than previously believed.

The board found that upgrades initially planned by contractors were insufficient to prevent potential post-quake radiation releases. Work on the improvements continues. Safety board Chairman Peter Winokur said that the upgrades top the board's list of concerns because any building collapse could send dangerous radiological doses into nearby towns.

In addition to being over budget at times, the NNSA also has been forced to abandon several projects on which money has already been spent.

Last year, Congress suspended for five years additional spending on a $6 billion plutonium research laboratory at Los Alamos that critics say duplicates a facility in Tennessee and is an unnecessary attempt to expand the nation's nuclear bomb-building mission. The lab has been on the drawing board for 20 years — with millions spent on design plans.

Also being cut is a program at the Savannah River Site in South Carolina to turn weapons-grade plutonium into commercial nuclear reactor fuel. The plant is $3 billion over budget, now costing an estimated $7.7 billion, and is three years behind schedule, according to the GAO.

The problems have resulted in renewed scrutiny and changes in leadership at the NNSA over the past year.

Thomas D'Agostino, who had led the agency since 2007, retired in January amid criticism of management mistakes related to the Tennessee break-in. The agency has had two interim administrators since, and in August, President Barack Obama nominated retired Air Force Lt. Gen. Frank Klotz as its next head. He's awaiting

Senate confirmation.

Members of the panel Augustine co-chairs, made up of retired military officials, former lab officials and former members of Congress, declined requests for interviews. But Augustine and other experts have previously recommended adding an overseer at sites under the NNSA. Those inspectors would be rotated periodically to ensure independence.

Critics, however, deride the panel's work as a futile exercise that repeats past reviews.

And one panel member, former U.S. Rep. Heather Wilson, R-N.M., has herself become a target of government auditors for work related to the national labs. The Energy Department's inspector general reported in June that Wilson collected nearly half a million dollars for no-bid consulting work from nuclear lab contractors. The report found the contractors could not document what work Wilson had actually performed.

The contractors — Lockheed Martin, Bechtel and other companies — have since reimbursed NNSA most of the $464,203 that was paid to Wilson, but an investigation continues.

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Matthew Daly reported from Washington, D.C.

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