October 30, 2003

CHEMICAL WEAPONS

Better Strategic and Risk Management Tools Needed to Guide DOD’s Stockpile Destruction Program

What GAO Found

The Chem-Demil Program faces schedule delays and higher costs, but it has improved emergency preparedness in communities near the sites. In 2001, the Chem-Demil Program extended its schedule milestones and increased its cost estimates from $15 billion to about $24 billion. Since then nearly all sites have experienced delays, stemming from problems such as: plant safety issues, environmental requirements, approving emergency preparedness plans, and funding shortfalls. The program needs a risk management plan to mitigate problems affecting program schedules, costs, and safety. Program officials say the delays have raised the cost estimates by an additional $1.4 billion, to more than $25 billion as of September 2003. Based on current schedule slippages, GAO believes that costs will grow higher and further delays will occur. (See figure.)

Because of schedule delays, the United States will not meet CWC’s April 2004 deadline to destroy 45 percent of the stockpile and it risks not meeting the original 2007 deadline to complete destruction of the entire stockpile. Unless the program fixes the problems causing delays, the United States also risks not meeting CWC’s deadline of 2012, if extended.

The program has suffered from several long-standing management and organizational issues. The lack of sustained leadership has undercut decision-making authority and obscured accountability. The program’s complex structure, with multiple lines of authority, has left roles and responsibilities unclear. It does not have an overarching, comprehensive strategy to guide and integrate its activities and monitor its performance.

The Army and the Federal Emergency Management Agency have helped state and local communities become better prepared to respond to chemical emergencies. Despite these gains, CSEPP costs are rising because some states have expanded their preparedness requests beyond the approved budgets. These requests amount to $88 million for fiscal years 2004 and 2005.

What GAO Recommends

GAO recommended in its September 2003 report that the Department of Defense (DOD) and the Army develop an overall strategy and implementation plan for the program and implement a risk management approach, and DOD concurred.


<table>
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<tr>
<th>Year of estimates</th>
<th>Program cost estimates</th>
<th>2003 additional costs identified</th>
<th>Likely cost increase at a future date</th>
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Source: DOD.