



Highlights of [GAO-10-582](#), a report to the Subcommittee on Strategic Forces, Committee on Armed Services, House of Representatives

Why GAO Did This Study

The National Nuclear Security Administration (NNSA) manages and secures the nation's nuclear weapons stockpile, with annual appropriations of about \$6.4 billion. NNSA oversees eight contractor-operated sites that execute its programs. Two programs make up almost one-third of this budget: Readiness in Technical Base and Facilities (RTBF) Operations of Facilities, which operates and maintains weapons facilities and infrastructure, and Stockpile Services, which provides research and development (R&D) and production capabilities. Consistent with cost accounting standards, each site has established practices to account for these activities. The Administration has recently committed to stockpile reductions. GAO was asked to determine the extent to which NNSA's budget justifications for (1) RTBF Operations of Facilities and (2) Stockpile Services are based on the total costs of providing these capabilities. GAO was also asked to discuss the implications, if any, of a smaller stockpile on these costs. To carry out its work, GAO analyzed NNSA's and its contractors' data using a data collection instrument; reviewed policies, plans, and budgets; and interviewed officials.

What GAO Recommends

Among other things, GAO recommends that NNSA develop guidance for consistent collection of total cost information and use this information for budget formulation and program planning. NNSA agreed with the report's findings and recommendations.

View [GAO-10-582](#) or [key components](#). For more information, contact Gene Aloise at (202) 512-3841 or aloise@gao.gov.

NUCLEAR WEAPONS

Actions Needed to Identify Total Costs of Weapons Complex Infrastructure and Research and Production Capabilities

What GAO Found

NNSA cannot accurately identify the total costs to operate and maintain weapons facilities and infrastructure because of differences in sites' cost accounting practices. These differences are allowable under current NNSA guidance as long as sites comply with cost accounting standards and disclose their practices to NNSA. The differences among cost accounting practices include the facilities and activities sites support with RTBF Operations of Facilities funds and how sites use other funding sources to support weapons facilities and infrastructure. GAO's analysis of sites' responses to a data collection instrument showed that the total cost to operate and maintain weapons facilities and infrastructure likely significantly exceeds the budget request for the RTBF Operations of Facilities program submitted to Congress for fiscal year 2009. NNSA has an effort under way that, if fully implemented, would provide more detail on the total costs to operate and maintain weapons facilities and infrastructure.

NNSA does not fully identify or estimate the total costs of the products and capabilities supported through Stockpile Services R&D and production activities. Instead, NNSA primarily identifies the functional activities—such as engineering operations, quality control, and program management—and their costs supported through Stockpile Services and bases its future-year budget requests on the extent to which prior-year budgets were sufficient to execute these functions. In 2009, GAO issued a cost guide that identified using a product-oriented management tool, rather than a functionally oriented one, as a best practice for cost estimating. Using cost guide criteria, GAO's analysis found tracking costs by functions provides little information on the costs of the individual capabilities supported through Stockpile Services. NNSA has an effort under way that, if fully implemented, would provide more detail on the total costs of the products and capabilities supported through Stockpile Services.

Reducing stockpile size is unlikely to significantly affect NNSA's RTBF Operations of Facilities and Stockpile Services costs because a sizable portion of these costs is fixed to maintain base nuclear weapons capabilities. The Administration has planned to increase budget requests for NNSA's nuclear weapons program by \$4.25 billion between fiscal years 2011 and 2015. This planned increase is intended, in part, to invest in and modernize facilities and infrastructure and to ensure that base capabilities are supported such that a smaller nuclear deterrent continues to be safe, secure, and reliable. While base capability costs appear to be relatively insensitive to reductions in the stockpile, without complete and reliable information about these costs, NNSA lacks information that could help justify planned budget increases or target cost savings opportunities.