



Highlights of [GAO-10-784](#), a report to congressional requesters

Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 aims to stimulate the economy, including funding for environmental cleanup projects. The Department of Energy (DOE) receives annual appropriations of \$6 billion to support the cleanup of radioactive and hazardous wastes resulting from decades of nuclear weapons research and production.

GAO was asked to examine (1) how DOE selected projects for funding and developed cost and schedule targets, (2) project status and extent to which projects are achieving these targets, and (3) key challenges faced and efforts to address them. GAO reviewed Recovery Act project documentation, including cost, schedule, and performance data for 84 projects at 17 sites; visited the 4 sites receiving most of the funding; and interviewed headquarters and site officials.

What GAO Recommends

GAO recommends four actions for DOE to improve project management and reporting: (1) determine whether project management and oversight steps adopted for Recovery Act projects would benefit other cleanup projects, (2) clarify the methodology used to calculate jobs created, (3) develop clear and quantifiable measures for determining the impact of Recovery Act funding, and (4) ensure that cost savings are calculated according to federal guidance. DOE agreed with the recommendations.

View [GAO-10-784](#) or [key components](#). For more information, contact Gene Aloise at (202) 512-3841 or aloisee@gao.gov.

RECOVERY ACT

Most DOE Cleanup Projects Appear to Be Meeting Cost and Schedule Targets, but Assessing Impact of Spending Remains a Challenge

What GAO Found

DOE's Office of Environmental Management generally chose to use Recovery Act funds for cleanup projects that could be quickly started and finished. Most projects also had existing contracts, which allowed DOE to update and validate cost and schedule targets within a short time. DOE generally funded four types of projects: decontaminating or demolishing facilities, removing contamination from soil and groundwater, packaging and disposing of transuranic and other wastes, and supporting the maintenance and treatment of liquid tank wastes. In all, DOE selected 84 projects at 17 DOE sites in 12 states for Recovery Act funding, with 4 sites receiving most of the money.

As of May 2010, DOE had begun work on all Recovery Act projects and reported creating about 5,600 full-time equivalent jobs at the 17 sites during the first quarter of 2010. Spending on Recovery Act projects has been slower than planned. DOE had obligated about \$5.5 billion of the \$6 billion in Recovery Act cleanup funding and spent about \$1.9 billion of those funds. This sum is less than the \$2.3 billion DOE had expected to spend by that time. DOE reported that most Recovery Act projects were achieving cost and schedule targets, although a third of projects were not.

DOE has faced familiar challenges in both managing Recovery Act projects and measuring how Recovery Act funding has affected cleanup and other goals. According to DOE officials, a third of projects did not meet cost and schedule targets for some of the same reasons that have plagued DOE in the past: technical, regulatory, safety, and contracting issues. DOE has taken steps aimed at strengthening project management and oversight for Recovery Act projects, such as increasing project reporting requirements and placing tighter controls on when funds are disbursed to sites, but it is uncertain how these steps will ultimately affect Recovery Act project performance, or whether they hold the potential to be useful for cleanup work funded under annual appropriations. Measuring the impact of Recovery Act funding on job creation and DOE's cleanup goals has also been a challenge for DOE, in particular, providing an accurate assessment of the act's impact on jobs, environmental risk reduction, and the life-cycle costs of its cleanup program. DOE has used three different methodologies to assess and report jobs created, which provide very different and potentially misleading, pictures of jobs created. For example, the calculations ranged from about 5,700 jobs to 20,200, depending on the methodology used. Also, DOE has not developed a clear means of measuring how cleanup work funded by the act will affect environmental risk or reduce its footprint—the land and facilities requiring DOE cleanup. Further, it is unclear to what extent Recovery Act funding will reduce the costs of cleaning up the DOE complex over the long term. DOE's estimate of \$4 billion in life cycle cost savings resulting from Recovery Act funding was not calculated in accordance with federal guidance. GAO's analysis indicates that those savings could be 80 percent less than DOE estimated. Without clear and consistent measures, it will be difficult to say whether or how Recovery Act funding has affected DOE's cleanup goals.