

GAO Highlights

Highlights of [GAO-15-499](#), a report to congressional committees

Why GAO Did This Study

Nuclear weapons continue to be an essential part of the nation's defense strategy. The end of the cold war resulted in a shift from producing new nuclear weapons to maintaining the stockpile through refurbishment. Also, billions of dollars in scheduled maintenance for nuclear weapons infrastructure has been deferred. The 2010 *Nuclear Posture Review* identified long-term stockpile modernization goals for NNSA that include (1) sustaining a safe, secure, and effective nuclear arsenal and (2) investing in a modern infrastructure.

The National Defense Authorization Act for Fiscal Year 2011 included a provision for GAO to report annually on NNSA's nuclear security budget materials. This report (1) identifies changes in estimates to the 2015 budget materials from the prior year's materials, and (2) assesses the extent to which NNSA's 2015 budget estimates align with plans for major modernization efforts, and (3) addresses the agency's stated goal of stopping the growth of its deferred maintenance backlog.

GAO analyzed NNSA's 2014 and 2015 nuclear security budget materials, which describe modernization plans and budget estimates for the next 25 years, and interviewed NNSA officials.

What GAO Recommends

GAO recommends improving the transparency of future budget materials by identifying potential risks to the achievement of program goals if budget estimates are lower than plans suggest are necessary. NNSA agreed with GAO's recommendations and outlined actions to address them.

View [GAO-15-499](#). For more information, contact David C. Trimble at (202) 512-3841 or trimbled@gao.gov.

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MODERNIZING THE NUCLEAR SECURITY ENTERPRISE

NNSA Increased Its Budget Estimates, but Estimates for Key Stockpile and Infrastructure Programs Need Improvement

What GAO Found

The National Nuclear Security Administration's (NNSA) 25-year budget estimates for modernizing the nuclear security enterprise in its fiscal year 2015 budget materials total \$293.4 billion, which is an increase of \$17.6 billion (6.4 percent) compared with the prior year's materials. NNSA's budget materials are (1) its 2015 congressional budget justification that includes the President's fiscal year budget request and information about 4 additional years of planned budget requests, and (2) its update to its *Stockpile Stewardship and Management Plan* that includes NNSA's long-range, 25-year plans for sustaining the stockpile and modernizing the nuclear security enterprise. Congress funds NNSA's 2015 budget estimates in four program areas: stockpile; infrastructure; science, technology, and engineering capabilities; and other weapons activities. GAO found that some budget estimates for individual programs within these four areas changed more significantly from 2014 to 2015 than the total budget estimates changed. For example, stockpile budget estimates to refurbish nuclear weapons through life extension programs (LEP) decreased by 31 percent in part due to changes in programs' production schedules. In contrast, infrastructure budget estimates for construction projects increased by 71 percent largely because the estimates were more complete than those GAO evaluated in 2014.

For NNSA's major modernization efforts—which include LEPs that are not in full scale production and major construction projects—near-term budget estimates for two of three LEPs align with plans, but estimates for construction projects are too preliminary to assess alignment. NNSA's near-term budget estimates to refurbish its B61 bomb and W88 warhead align with its plans because annual budget estimates reflect internally developed estimated cost ranges for the programs. However, the near-term budget estimates for the cruise missile LEP are not aligned with NNSA's 2015 plans because annual budget estimates are below the low point of the program's internally developed estimated cost range. A 2008 internal review of NNSA's project management stated that failure to request full funding can result in risks to programs' goals such as increased program costs and schedule delays. GAO's prior work has emphasized the importance of transparency in federal agencies' budget presentations because such information helps Congress understand how new funding requests relate to program decisions. Including information in future versions of budget materials on the potential risks to achieving LEPs' goals when funding requests are not aligned with plans would improve the quality of budget materials.

NNSA's infrastructure budget estimates are not adequate to address its reported \$3.6 billion deferred maintenance backlog, and the backlog will continue to grow. One reason the backlog will continue to grow is that the 2015 budget estimates to address the problem fall below DOE infrastructure investment benchmarks for maintaining and recapitalizing existing facilities, activities that can reduce deferred maintenance. NNSA's goal to stop the growth of the backlog is stated in its budget materials, but these materials do not identify that budget estimates for maintenance and recapitalization fall below DOE's infrastructure investment benchmarks. Including information in future versions of budget materials on the potential risks to the achievement of infrastructure goals if budget estimates fall below internal benchmarks would improve the transparency of budget materials.