

Questions from the
House Subcommittee on Energy and Power
Committee on Appropriations

Hearing on Fiscal Year 1995 Appropriation Request
March 14, 1994

From Chairman Bevill

Q#1: ***Chairman Cantlon, you and your board have recommended that an independent review be conducted of the organizational structure of the DOE civilian nuclear waste program. Please explain your recommendation,***

A: This question was answered by Dr. Cantlon at the subcommittee hearing on March 14, 1994.

Q#2: ***The Secretary of Energy has made a number of changes to the civilian nuclear waste program. Do you believe an independent review of the program should be postponed until these changes are in place?***

A: The changes that have been announced are primarily at the Yucca Mountain Site Characterization project office. The Board is encouraged by the direction of the reorganization that is taking place there and believes it will have a positive impact on the organizational structure and operation of the ***project***. However, we continue to believe that a similar effort is needed at the ***program*** level. The review the Board recommended could help Dr. Dreyfus identify and implement needed changes in the program's organizational structure and management. In addition to addressing problems in these two areas, an independent review could provide program managers with a framework that would allow, for example, (1) better integration of the science and engineering in the program, (2) more informed judgments about opportunities for reducing duplication of efforts by multiple contractors, and (3) a restructuring of the program while maintaining the momentum and continuity of scientific and technical activities.

In a recent meeting, Dr. Dreyfus indicated that he shares many of the concerns the Board has raised about program management and that he is taking steps to address these management challenges. I share the concern, expressed by Dr. Dreyfus in our meeting, that an outside review at this time might delay needed near-term program decisions. The Board coupled its recommendation for an outside review of the organizational structure with the recommendation to maintain momentum in site-characterization activities. I am willing to accept postponement of an outside review, based on the need for continued program momentum and the hope that Dr. Dreyfus's initiatives can bring about needed

management improvements. The Board will continue to watch the progress of the DOE program, and we will reiterate our recommendation for the outside review if we think it is needed.

Q#3: *The Administration's budget for civilian nuclear waste has proposed an alternative funding mechanism to increase the budget for the program. Is an increase in funding the answer to the problems of the civilian nuclear waste program?*

A: There is no question that scientific and technical work is being delayed for lack of funds. In the past, the DOE has chosen to allocate the majority of its funding to overhead and infrastructure costs leaving relatively too little for actual site-characterization activities. This has resulted in the delay of some important activities, such as underground excavation and initiation of thermal and corrosion testing necessary for the development of a long-lived waste package. If this trend continues, progress on scientific activities may still be impeded. In addition, some of the scientific and technical activities having to do with thermal loading and waste package materials research will take years to complete. Because of past delays, there may not be time to conclude these tests prior to the DOE's 2001 target date for submitting a license application to the Nuclear Regulatory Commission. Consequently, it is possible that the DOE may enter the formal licensing process with some important scientific issues unresolved. This could delay or even jeopardize the licensing of the repository. Increased funding, together with program improvements in organization and management, will be needed to ensure adequate and timely progress.

Q#4: *In past reports, you have indicated that the civilian nuclear waste program's organizational structure is multilayered, program entities are geographically dispersed and responsibility for decision making is spread among the many managers. Do you see this situation improving?*

A: The organizational structure of the federal staff at the Yucca Mountain project office is being restructured, and in our opinion, the changes should eventually produce positive results. Dr. Dreyfus has indicated that similar but unspecified changes are in the works at the program headquarters in Washington. Although it is too early to evaluate the effects of these changes, we are encouraged by Dr. Dreyfus's candid acknowledgement that improvements are needed and his understanding of the kind of changes that will be necessary.

Q#5: The committee has repeatedly expressed its concern that the civilian nuclear waste program has placed a disproportionately high percentage of its funds on management overhead rather than site characterization activities. What are your views on the DOE's use of their funds?

A: The Board has expressed concern over the years that too much of the funding available for the repository program was being allocated to overhead and infrastructure costs leaving relatively limited amounts for site-characterization and other critical research. Dr. Dreyfus has said that he intends to reverse that trend and we are encouraged by his statements in this regard. We look forward to seeing tangible evidence of this change in emphasis.

Q#6: The Department of Energy's civilian nuclear waste program employs more than 2,500 contract employees. Do you believe the Department's efforts are staffed appropriately?

A: We have expressed our concern that the high overhead and infrastructure costs necessary to support the very large number of contractor employees working on the program have reduced the amounts of money available for scientific work. We have not looked specifically at the appropriateness of the DOE's staffing arrangements as part of our technical review of the program. However, our interactions with the DOE lead us to believe that there may be duplication of effort in some areas while other areas are understaffed. Because this situation can affect the technical and scientific activities, we believe it should be addressed as part of the program restructuring referred to by Dr. Dreyfus.

From Mr. McDade

Q#1: *The Board has once again recommended the initiation of an independent review of the OCR WM's management and organizational structure.*

a. Does this review come under the purview of the Board? Would authorizing language be necessary to allow the Board to undertake such an evaluation?

A. The Board's mandate is to review the technical and scientific validity of the program. Consequently, management issues that affect the progress of the technical and scientific program do fall within our purview. The Board is made up of experts in the fields of science and engineering. The kind of review we have recommended would require experts with experience managing large projects. For this reason, the Board has suggested that the Secretary appoint a small, independent group of internationally recognized experts with extensive experience in managing large, complex programs and in system acquisition to conduct this review. Although necessary, knowledge in the nuclear waste management field alone would be insufficient to carry out the review. Given these kinds of experts, such a review should not take long, nor require a large staff. Furthermore, we do not believe the program should be halted or even delayed while a review is conducted.

b. Last year, 18 audits and 50 surveillances of contractors were performed of YMP. The Secretary of Energy is currently reviewing the program with the assistance of outside consultants. Why do you believe it is necessary to conduct yet another review of OCRWM? Shouldn't these other reviews and audits be sufficient to identify problems and their potential impact on YMP?

A: The audits and surveillances of contractors referred to in Dr Dreyfus's statement are part of the ongoing oversight of the program's contract and regulatory compliance. This is very different from the programwide review of the organizational structure and management called for by the Board. The purpose of the review recommended by the Board one year ago would be to provide program managers with the tools they need to address very broad-based structural and management problems so that the program can move ahead efficiently and expeditiously — while maintaining and enhancing the technical integrity of the many scientific activities that are part of the site-characterization process. The Secretary has initiated a review of the ***Yucca Mountain Project***, which is one part of the civilian radioactive waste management ***program***. We feel that a similar effort is needed at the program level. Dr. Dreyfus has acknowledged that he shares many of the concerns expressed by the Board and has indicated that he is taking actions to improve program management. The Board will continue to monitor the program's progress on the management and organizational issues, and we will reiterate our recommendation for the outside review if we find that Dr. Dreyfus's initiatives have not

dealt adequately with these issues.

Q#2: *Your request includes an increase of almost 9% for personnel compensation and assumes both a COLA and locality pay. No increases in personnel are assumed.*

What accounts for your increase of 9% when the combined COLA and locality pay is less than 5%?

A: There are two factors that contribute to the perceived 9% fiscal year 1995 increase in personnel compensation.

First, the fiscal year 1995 amount was not built upon the fiscal year 1994 estimate reflected on the object classification schedule, but upon an updated basis taking into account pay actions that have occurred since the initial fiscal year 1994 estimate was developed. The fiscal year 1994 personnel compensation amount (\$1,315,000) included on the schedule is an estimate developed in the Fall of 1992 for submission to the Office of Management and Budget, included in the President's budget, and carried forward in the fiscal year 1995 request. The following factors contributed to this updated fiscal year 1994 basis from which the fiscal year 1995 estimate was developed:

1. The initial fiscal year 1994 estimate, consistent with Presidential policy at that time, assumed no pay increase in 1994.
2. In reality, a 4.23% locality increase was authorized for the Washington, DC, metropolitan area and the updated base anticipated this pay increase. The Board's support staff received this increase, and a 4% increase was granted to the professional staff.
3. Merit pay increases to outstanding professional employees were provided for in fiscal year 1994 from a 1.5% pool that were not anticipated in the initial estimate.

Second, in addition to the 2.11% locality pay and 2.6% COLA mentioned in the narrative of the appropriation request, the fiscal year 1995 personnel compensation increase includes merit pay increases for highly paid professional staff from a 2% salary pool, and with-in-grade step increases and promotions for General Schedule support staff.

Therefore, the approximately 9% difference actually represents pay increases for 2 years -- fiscal year 1994 increases that were not provided for in the initial estimate, and fiscal year 1995 locality pay and COLAs, plus merit increases, with-in-grade step increases and promotions for General Schedule employees.

Q#3: *Your request assumes "300 consultant days. " Provide additional background on these experts and consultants. How does the 1995 assumption compare to 1993 and 1994?*

A: The fiscal year 1995 estimate anticipates consultant use in the following areas:

1. Intermittent half-time (130 days) expert on planning, operations, and maintenance of internal computer network and consultation on desktop publishing and report generation.
2. Intermittent half-time (130 days) consultant on intergovernmental, legislative, and congressional affairs and public policy issues; assistance in the translation of technical reports and issues into language better understood by nontechnical policy makers and the public.
3. Intermittent use of technical consultants having areas of expertise not represented on the Board or staff (totaling 40 days).

The fiscal year 1995 assumption is identical to that of fiscal year 1994. The fiscal year 1993 request assumed the use of 390 consultant days, 130 of which were for technical consultants. Since we have found it more administratively convenient to contract for such services, we have not used this personnel vehicle to the extent originally anticipated. Consequently, the estimated days required has been reduced from 130 to 40.

Q#4: *How many reimbursable detailees from other government agencies are estimated for 1995? How does this compare to 1993 and 1994?*

A: We anticipate the continued use of only one detailed employee on a reimbursable basis for fiscal year 1995, an expert on volcanology who is an employee of the Smithsonian Institution. The Board expects to intermittently use the services of this individual for an estimated 12 days in fiscal year 1994, and 24 days in fiscal year 1995. Actual usage in fiscal year 1993 was limited to the Smithsonian employee and amounted to only 8 days. Consequently, the fiscal year 1995 and 1994 appropriation requests have reflected a reduced requirement in this area.

From Mrs. Meek

Q#1: *I note that the Technical Review Board recommends more studies as I understand it. Dr. Cantion, one of the ways of preventing something from happening is to study it to death.*

a. *Will the studies recommended by your Board delay the opening of Yucca Mountain?*

A: We have stated that any review of the program should be conducted concurrently with site characterization to avoid reducing the momentum of important scientific and technical studies. Correcting the program's organizational structure and management problems could help avoid costly errors that would require time and money to correct. Therefore, a review of this kind could actually help avoid delays and speed program progress over the long term.

b. *Do any of these studies duplicate any which have already been conducted?*

The review that has been initiated by the Secretary of Energy involves the *project* not the *program* as a whole. The kind of review we have suggested — completely independent, focused on the organizational structure and management of the entire program — has never been done. Dr. Dreyfus has indicated a number of changes he intends to pursue. The Board is hopeful that these changes will be successful and timely and that a review of the kind we have called for will not be necessary. However, the Board will continue to monitor the program's progress in resolving these organizational and management problems, and we will reiterate our recommendation for the outside review if we find that they have not been addressed adequately.