



COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY
Lamar Smith, Chairman

For Immediate Release
June 14, 2018

Media Contacts: Thea McDonald, Bridget Dunn
(202) 225-6371

Statement by Chairman Lamar Smith (R-Texas)

NASA Cost and Schedule Overruns: Acquisition and Program Management Challenges

Chairman Smith: This committee has demonstrated time and again that U.S. leadership in space is a bipartisan priority. Our vote on the 2018 NASA Authorization Act in April was a clear demonstration of that.

Congress and the administration support a consistent, focused space program, and the current NASA budget demonstrates that resolve. NASA once again received one of the most favorable authorizations and appropriations of any agency.

Healthy budgets are a good start, but they must be followed up with solid management and oversight to make certain taxpayers' funds are spent well. However, excessive costs and missed deadlines may undermine the very NASA projects Congress and the American people support.

We recently held hearings discussing four of NASA's highest profile programs: SLS, Orion, Commercial Crew and the James Webb Space Telescope (JWST). The subcommittee will have a hearing next month about the JWST program breach, and Northrop Grumman's CEO, Wes Bush, has agreed to testify.

The Government Accountability Office's (GAO) report identified significant cost and deadline problems with all four of these high-interest programs. SLS and JWST are identified as having deteriorating cost and schedule performance due to risky decisions involving technology.

GAO found the commercial crew contractors continue to have significant delays in the test flight schedules. And, NASA expects the Orion program to exceed its cost baseline.

GAO assessed other NASA major projects this year as well. For example, the Wide Field Infrared Survey Telescope (WFIRST) remains a serious concern for Congress. This committee has requested but not received the WFIRST life cycle cost estimate that was required by the FY18 Omnibus.

Congress has a responsibility to authorize and appropriate funding necessary to accomplish the tasks it directs NASA to carry out. But Congress also has a responsibility to not let cost overruns detract from other NASA priorities, such as research and small—and medium—class missions.

It is time for NASA's contractors to deliver. The 2018 NASA Authorization Act takes important steps to impose a contractor responsibility watch list. This watch list would penalize poor performing contractors by restricting them from competing for further NASA work.

Beyond contractor watch lists, NASA should continue to explore additional options to reduce the costs of these large programs, such as leveraging program surpluses, early-stage cost-caps, firm fixed-price contracts and public-private partnerships that benefit taxpayers.

Anything short of that will undermine congressional confidence in the contractors' ability to deliver on their promises at a reasonable cost. If space exploration is going to continue to earn the public's trust, then contractors will have to deliver on time and on budget. If they cannot, then they could face suspension and debarment.

I look forward to our witnesses' testimony today. Thank you, Mr. Chairman.

###