



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

For Immediate Release
April 27, 2016

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Statement of Chairman Lamar Smith (R-Texas)
An Overview of Fusion Energy Science

Chairman Smith: This legislation addresses an issue about which the Science Committee has expressed concerns for the last two years – the National Science Foundation's (NSF's) past management of major research facility projects.

I thank the Oversight Subcommittee Chairman, Mr. Loudermilk, for his initiative on this issue. The Committee seeks to ensure that taxpayer dollars are not wasted on mismanagement and questionable costs.

This bill will achieve that goal. It addresses gaps in project oversight and management through solutions identified by the NSF Inspector General, auditors, an outside review panel, and the Committee's own work for a year and half.

Last December, NSF Director Dr. Córdoba agreed to commission a study by the National Academy of Public Administration (NAPA) to take a closer look at how NSF could better manage large-scale projects.

In a February hearing we heard from the NAPA study committee's project director about the results of the 8-month study and the 13 recommendations NAPA made to improve NSF's management and oversight of cooperative agreements.

Although NSF has begun to implement some of the recommendations, there is still a need to implement four key measures addressed in this bill: pre-construction verification of project cost, incurred cost audits, better control over contingency funds, and proper use of taxpayer funded management fees.

The bill's approach to these four measures ensures that no current or future large-scale project faces the same financial mismanagement that plagued the National Ecological Observatory Network (NEON).

This Committee held several hearings on the mismanagement of NEON. Last September we learned that the project was likely to be \$80 million over budget and 18 months behind schedule.

I recognize that the NSF is taking steps to better manage the costs of NEON, which include firing the management organization. However, it is time to make systematic changes for all current and future major projects.

The provisions in the bill have been developed with input from the minority, the NSF and many stakeholders.

Mr. Loudermilk also will offer a manager's amendment, which includes changes based on suggestions provided by Director Córdova.

The first draft of this bill was provided to minority committee staff almost two months ago. And every Member received the current bill at the same time when the markup was noticed last week.

Although I believe the current NSF leadership is committed to improve its management of these construction projects, we need to make sure that NSF will make the systematic changes necessary in a timely fashion.

This change for how the NSF does business should outlast the current administration. Many stakeholders have expressed support for the bill since it provides some certainty for how the NSF will operate.

All agencies, as well as their grantees and contractors, need to be held accountable for how they spend taxpayers' hard-earned dollars. The basic responsibility of any government agency is to act in the national interest.

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