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# Highlights

Highlights of [GAO-06-692](#), a report to the Chairman, Subcommittee on Federal Financial Management, Government Information and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

Until destroyed, Russia's stockpile of chemical weapons remains a proliferation threat, vulnerable to theft and diversion. Since 1992, Congress has authorized the Department of Defense (DOD) to provide more than \$1 billion for the Cooperative Threat Reduction (CTR) program to help the Russian Federation construct a chemical weapons destruction facility (CWDF) at Shchuch'ye to eliminate about 14 percent of its stockpile. Over the past several years, DOD has faced numerous challenges that have increased the estimated cost of the facility from about \$750 million to more than \$1 billion and delayed the facility's operation from 2006 until 2009. DOD has attributed the increase cost and schedule to a variety of factors. In this report, we (1) assess the facility's progress, schedule, and cost and (2) review the status of Russia's efforts to destroy all of its chemical weapons.

## What GAO Recommends

GAO recommends that the Secretary of Defense direct the Defense Threat Reduction Agency and the U.S. Army Corps of Engineers to (1) ensure that the EVM system contains valid and reliable data, (2) set aside a portion of the contractor's award fee until the EVM system produces reliable data, and (3) require the contractor to perform an integrated baseline review (IBR) after awarding the contract for completing Building 101. DOD concurred with our recommendation.

[www.gao.gov/cgi-bin/getrpt?GAO-06-692](http://www.gao.gov/cgi-bin/getrpt?GAO-06-692).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

## COOPERATIVE THREAT REDUCTION

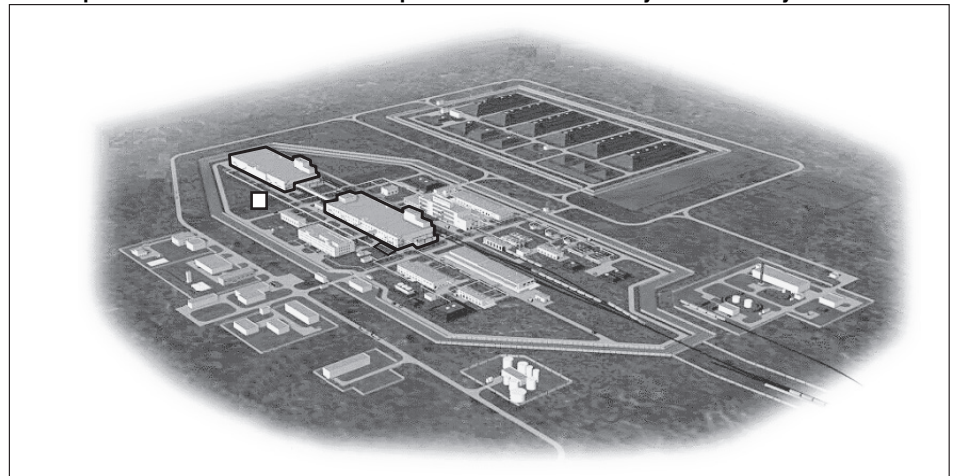
# DOD Needs More Reliable Data to Better Estimate the Cost and Schedule of the Shchuch'ye Facility

## What GAO Found

Although DOD has made visible progress over the past 2 years in constructing the chemical weapons destruction facility at Shchuch'ye, it continues to face numerous challenges that threaten the project's schedule and cost. Primarily, key buildings on the site have fallen behind schedule due to difficulties working with Russian subcontractors. Such delays have been costing DOD more than \$3 million per month since October 2005 and will continue until the award of a crucial subcontract, possibly in June 2006. Uncertain progress of Russian construction on the site, unpredictable Russian regulatory requirements, and various technical issues, such as testing the facility, could cause further schedule delays and increase costs. Also, DOD lacks a reliable earned value management (EVM) system to record, predict, and monitor the project's progress. DOD allocated \$6.7 million to the project's contractor in September 2004 to establish an EVM system and expected to have a validated EVM system in place by March 2005. DOD cannot use the current EVM system to assess the final schedule and cost for completing the Shchuch'ye facility because it contains flawed and unreliable data. In addition, the contractor has not yet conducted an IBR of the Shchuch'ye project.

Furthermore, it remains uncertain whether the Russian government can destroy its entire chemical weapons stockpile by the Chemical Weapons Convention (CWC) extended deadline of 2012. As of March 2006, Russia had destroyed about 3 percent of its 40,000 metric tons of chemical weapons at two completed destruction facilities. To eliminate the remainder of its chemical weapons over the next six years, the Russian government must construct and operate five additional destruction facilities, including Shchuch'ye. The Russian government has indicated that it will need continued international assistance to destroy the remaining stockpile.

Site Map of the Planned Chemical Weapons Destruction Facility at Shchuch'ye



Source: DOD.