

**Senate Energy and Water Development Appropriation Subcommittee hearing
on the Administration FY2015 funding request, 04/09/2014.**

video archived:

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Chairman Feinstein's opening remarks:

(20:11)

Feinstein: I'd like to quickly highlight my biggest concern. It's in the science budget, and it's ITER. ITER is an experimental fusion reactor being built in France. After pressure from this subcommittee, the Department has provided a more reliable cost estimate for this project. Unfortunately, the cost keeps increasing. Under the best-case scenario, the United States cost to help build ITER, will be \$4B for the Department of Energy, twice the original cost estimate. Under a more realistic scenario, the cost may exceed 6B. That's according to an independent review by your own Department, Mr. Secretary. To make matters worse, an independent assessment of the ITER Organization found a long list of problems that could lead to additional cost increases and schedule delay. Some of these include the lack of project management skills and a sense of urgency to complete the project, a lack of realistic milestones, too few staff with large project management and industrial experience to integrate thousands of components for the most complex engineering project in the world. Mr. Poneman, I hope you can share your views of whether you think the project management problems at ITER can be fixed, and whether the United States should continue to fund ITER, given the cost increases, and higher scientific priorities. Actually, this may be an opportunity to experience the power of the purse. (22:09)

(45:44)

Feinstein/Poneman exchange on ITER.

Feinstein: Mr. Poneman, ITER. I'm very concerned about it. The costs are now between 4 and 6 billion dollars to us, with \$850M spent to date, major construction will be completed no earlier than 2023. That's another 4 year slip. And in October, 2013, independent management review of the project found serious project management challenges, which could lead to serious, significant cost increases and schedule delays. I'm really beginning to believe that our involvement in ITER is not practical, that we will not gain what we hope to gain from it, and instead this money could much better be spent elsewhere.

Poneman: Chairman Feinstein, we share precisely the concerns that you've just stated, and indeed, quite accurately in your opening statement. These are in fact the one review that we chartered ourselves that found many of the shortcomings that you have identified, and in a very hard-hitting management assessment.

What I can assure you, Senator, is we have used these tools, and particularly the management assessment, which went to all the 7 participating entities, the

European Commission and 6 nations, in the ITER council, to say very bluntly and very clearly that we need to respond and the International Organization running the ITER project has to respond to all of those management assessment recommendations, has to come up with a corrective action plan, and has to execute. And we are very much focused on that, and holding them accountable to that, because it is critically important, if the project is to succeed, that we get our arms around these exact problems that you've stated.

Feinstein: Well, we'll talk more about that.

Feinstein (looking at Senator Alexander): Senator, would you like to proceed with questions?

Alexander: Thank you, Madam Chairman. I associate myself with the Chairman's comments about ITER. I don't need to repeat them. (47:52)