

OPENING STATEMENT

Ranking Member Don Beyer, Oversight Subcommittee

House Committee on Science, Space, and Technology

Subcommittee on Research & Technology

Subcommittee on Oversight

“A Review of Recommendations for NSF Project Management Reform”

February 4, 2016

Chairwoman Comstock and Chairman Loudermilk, thank you for holding this hearing today and the opportunity to discuss this important issue.

I am a strong advocate of the National Science Foundation (NSF) and their efforts to identify and discover new scientific innovations. The NSF is in my district, and I have seen their scientists and engineers help make our nation more competitive globally, and their scientific breakthroughs and engineering advances help to create more jobs domestically. The NSF’s scientific pursuits broaden our understanding of the natural world and they help to uncover our impact on the environment. They also expand our abilities to confront difficult medical, public health, technological, and national security challenges.

These efforts are not free. We invest more than \$7 billion per year in the National Science Foundation, with a significant portion of that investment going towards the construction of large research facilities that are managed by cooperative agreements with non-profit organizations and institutions. I believe these investments return significant value to the American taxpayer, helping us to sustain and enhance our competitive edge and maintain a strong national defense.

But the pursuit of these cutting-edge scientific endeavors needs to be managed effectively and efficiently. Large programs deserve substantial oversight and financial management to help keep key projects on track and moving forward as planned.

Managing costs and schedules on large projects can be a difficult and challenging task. But there is much room for improvement in NSF’s planning and oversight of its large scale construction projects. Last year, our Committee held hearings on the NSF’s management of its National Ecological Observatories Network (NEON), an ongoing project that went off-track and was headed toward an \$80 million cost overrun. To its credit, in December, NSF terminated the cooperative agreement with the organization managing this project, NEON, Inc., because of serious concerns with the capacity of that organization to reset NEON on a better path.

Late last year the NSF Office of Inspector General (OIG) also issued an “Alert Memorandum” on NSF’s oversight of the Large Synoptic Survey Telescope (LSST), being constructed in Chile under a \$473 cooperative agreement with the Association of Universities for Research and Astronomy, Inc. (AURA). The IG memo raised concerns about oversight of the project’s indirect costs, and recommended enhanced oversight in a number of areas, including an annual audit of incurred costs and better supporting documentation to justify some project expenditures.

Some of these issues were initially identified by NSF's Cost Analysis and Audit Resolution Branch (CAAR) which led to the IG review and the issuance of the IG's Alert Memorandum. I commend NSF's management for uncovering these issues of concern and the IG's office for recommending steps to improve oversight of this project moving forward.

In December, the National Academy of Public Administration (NAPA) issued a report on NSF's "Use of Cooperative Agreements to Support Large Scale Investment in Research." This was a balanced, thorough review that offers some sensible management solutions to help improve the NSF's oversight of its important large scale investments in scientific research projects. I look forward to hearing more about NAPA's recommendations for NSF from our NAPA witness today and I also look forward to hearing from the NSF IG, as well as from the NSF Chief Operating Officer.

I believe that NSF is a critical national asset, and that the cutting-edge, multi-user research facilities NSF supports are central to the agency's mission. I am hopeful that the recommendations provided by the IG's office and NAPA will help NSF improve its management and oversight of its large scale investments in scientific research facilities for the benefit of science and the taxpayer.

I look forward to today's discussion, and I yield back.