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GAO Discredits Army's VX Destruction Cost Analysis

The United States General Accountability Office (GAO) was commissioned by Congress to review the cost analysis done by the U.S. Army for the destruction of VX nerve agent stored in Newport Indiana. The Army had proposed trucking the VX nerve agent waste ("hydrolysate") from Newport Indiana to the Dupont Chambers Works facility in Deepwater NJ for treatment and disposal into the Delaware River. The plan was nixed on January 5, after three years of raging public argument, when Dupont announced it was backing out of the plan. Delaware Riverkeeper Network and co-plaintiffs from 4 states had filed a lawsuit to stop the import of VX to New Jersey two weeks prior. The GAO report was pending at the time.

The GAO Report, issued today to the Congressional Committees ("Chemical Demilitarization: Actions Needed to Improve the Reliability of the Army's Cost Comparison Analysis for Treatment and Disposal Options for Newport's VX Hydrolysate, GAO-07-240R"), reflects the Dupont pullout and analyzes the methods used by the Army to analyze comparative costs of the project, looking at various methods of destruction.

The report does not equivocate in its criticism of the cost analysis that was issued by the Army in April 2006. "Based on our assessment of supporting documentation and analyses, we determined that the underlying cost estimates used in the Army's report were not reliable, and the impact of this on the Army's report finding that the Dupont plan had "significant cost savings" over the three considered alternatives is uncertain. Using OMB criteria and criteria approved by the cost estimating community, we determined that the estimates were unreliable because of (1) the quantity and magnitude of errors, (2) quality control weaknesses, (3) questionable or inadequate supporting source data and documentation, and (4) the undetermined sensitivity of key assumptions", according to the report (GAO-07-240R Chemical Demilitarization, pages 4 and 5). The report goes on to detail the weaknesses and mistakes in the Army's analysis and basically instructs the Army to go back to square one.

"We are pleased that the GAO confirmed our suspicions regarding the unreliability of the Army's cost benefit analysis, but point out that the environmental and public health risks of shipment and discharge of VX waste to the Delaware River are too great regardless of the fiscal issues", said Maya van Rossum, the Delaware Riverkeeper. "That is why the Dupont plan is dead and why the communities of New Jersey and the region and elected officials opposed it all along and that is also why Dupont made the right decision to withdraw from the project", said van Rossum.