



Program Executive Office
Assembled Chemical Weapons Alternatives

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INFORMATION
CONTACT:**

Program Executive Office
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Public Affairs at
(410) 436-3398

ACWA Program Certification 2011

In June 2011, the Under Secretary of Defense for Acquisition, Technology and Logistics certified the Assembled Chemical Weapons Alternatives (ACWA) program under the Nunn-McCurdy Act (10 U.S.C. § 2433a). This decision involved a nearly six-month comprehensive review of the ACWA program to determine factors that led to a greater than 25 percent cost growth and to analyze potential alternatives. The information below outlines the background and results of this review and the path forward for the program.

Background - The Nunn-McCurdy Act requires congressional notification of cost growth of more than 15 percent over the program's original estimate (a "significant" breach), and calls for termination of programs with cost growths greater than 25 percent (a "critical" breach) unless the Secretary of Defense submits an explanation certifying that:

- continuation of the program is essential to the national security
- there are no alternatives to the program which will provide acceptable capability to meet the joint military capability at less cost
- the new program acquisition unit cost estimates have been determined by the Director of Cost Assessment and Program Evaluation to be reasonable
- the program is a higher priority than programs whose funding must be reduced to accommodate the growth in cost of the program, and
- the management structure for the program is adequate to manage and control program acquisition unit cost.

In December 2010, the Acting Under Secretary of Defense for Acquisition, Technology and Logistics notified Congress of a critical Nunn-McCurdy breach by the ACWA program and initiated the review process mandated by law.

Results - In the June 2011 letter provided to Congress, the Under Secretary certified the five conditions described above and determined that the root cause of the life cycle growth was that the baseline estimate did not adequately recognize program uncertainty or complexity.

The Under Secretary directed that the ACWA program should proceed with no significant changes to the selected destruction technologies – neutralization followed by biotreatment in Colorado and neutralization followed by supercritical water oxidation in Kentucky. The letter noted that if difficulties with on-site treatment of hydrolysate were encountered, off-site treatment and disposal would be pursued.

As a certified program, PEO (Program Executive Office) ACWA includes a more realistic cost and schedule estimate that will incorporate sufficient risk factors and mitigation strategies to better account for the unique and complex nature of these facilities. The establishment of a new Acquisition Program Baseline is expected to reflect increased program costs from approximately \$8 billion to \$10.6 billion.

The PEO ACWA Path Forward - PEO ACWA will move forward with a more accurate funding profile and a more realistic schedule. Other changes are under way to ensure the program has the resources necessary for more effective management, including additional support from the Army, enhanced training and increased use of earned value management techniques designed to provide early indication and control of cost growth.

As this direction is addressed, the Department of Defense remains committed to destroying the chemical weapons stockpiles in Colorado and Kentucky as rapidly as practicable, as well as consistent with the safety of the community and the workforce, and the protection of the environment.

For more information about PEO ACWA, visit www.peoacwa.army.mil.



A Partnership for Safe
Chemical Weapons
Destruction



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