

Highlights of [GAO-11-555T](#), a testimony to Subcommittee on Strategic Forces, Committee on Armed Services, U.S. Senate

Why GAO Did This Study

In order to meet its mission, the Missile Defense Agency (MDA) is developing a highly complex system of systems—land-, sea-, and space-based sensors, interceptors, and battle management. Since its initiation in 2002, MDA has been given a significant amount of flexibility in executing the development and fielding of the ballistic missile defense system. GAO was asked to testify on its annual review of MDA and on progress made to improve transparency and accountability. This statement is based on our March 2011 report..

What GAO Recommends

GAO does not make new recommendations in this testimony but emphasizes the importance of implementing past recommendations, including:

- Establishing and reporting complete, accurate, reliable cost information.
- Strengthening test planning and resourcing.
- Following knowledge-based acquisition practices that ensure sufficient knowledge is attained on requirements, technology maturity, design maturity, production maturity and costs before moving programs into more complex and costly phases of development.

DOD has committed to take action on many of our recommendations.

View [GAO-11-555T](#) or key components. For more information, contact Cristina T. Chaplain (202) 512-4841, chaplainc@gao.gov

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MISSILE DEFENSE

Actions Needed to Improve Transparency and Accountability

What GAO Found

When MDA was established in 2002, it was granted exceptional flexibility in setting requirements and managing the acquisition, in order to meet a Presidential directive to deliver an initial defensive capability in 2004. However, the flexibility also came at the expense of transparency and accountability. For example, unlike certain other Department of Defense (DOD) major defense acquisition programs, a cost, schedule, and performance baseline does not have to be established or approved outside MDA. In addition, while most major defense acquisition programs are required by statute to obtain an independent verification of cost estimates, MDA has only recently developed cost estimates for selected assets and plans to work with DOD's Office of the Director for Cost Assessment and Program Evaluation to develop independent cost estimates for more MDA elements. Further, assessments of a system's suitability and effectiveness in combat have only been accomplished, with limitations, for the currently deployed Aegis Ballistic Missile Defense weapon system.

Since its inception, MDA has employed at least three different strategies to acquire and deploy missile defense systems. Because these changes involved different structures for reporting cost, schedule, and performance data, they have exacerbated transparency and accountability challenges—each time a strategy changes, the connection between the old and new strategy planned scope and resources is obscured.

In 2010, MDA made significant progress in addressing previously reported concerns about transparency and accountability. Specifically, MDA :

- Established resource, schedule, test, operational capacity, technical, and contract baselines for several missile defense systems. It reported these to Congress in its June 2010 BMDS Accountability Report.
- Identified three phases of development where baselines are approved—technology development, product development, and initial production phases—and specified the key knowledge that is needed at each phase.
- Established processes for reviewing baselines and approving product development and initial production jointly with the military services that will ultimately be responsible for those assets.

GAO also reported last year that MDA extensively revised the test plan to increase its robustness and ability to inform models and simulations for assessing missile defense performance.

While it is clear that progress has been made in terms of implementing new acquisition reviews and reporting detailed baselines, there remain critical gaps in the material reported, particularly the quality of the underlying cost estimates needed to establish baselines. Moreover, GAO still has concerns about realism in test planning and acquisition risks associated with the rapid pace of fielding assets. These risks are particularly evident in MDA's efforts to develop systems to support a new approach for missile defense in Europe as well as the Ground-based Midcourse Defense system.