



Highlights of [GAO-08-1068](#), a report to the Subcommittee on Strategic Forces, Committee on Armed Services, House of Representatives

## Why GAO Did This Study

The Department of Defense (DOD) has spent a total of over \$115 billion since the mid-1980s to develop a Ballistic Missile Defense System (BMDS) comprised of land, air, and sea-based elements—such as missiles and radars—working together as an integrated system. Since the cost to operate and support a weapon system usually accounts for most of a system's lifetime costs, the resources needed to fund BMDS could be significant as DOD fields an increasing number of BMDS elements. In 2005, DOD began planning to transition responsibility for supporting BMDS elements from the Missile Defense Agency (MDA) to the services.

GAO was asked to assess the extent to which DOD has (1) planned to support BMDS elements over the long-term, and (2) identified long-term operation and support costs. To do so, GAO analyzed 7 BMDS elements that will be fielded by 2015, compared DOD's plans and cost estimates to DOD and GAO key principles, and assessed the extent to which MDA and the services have agreed on responsibilities for supporting and funding BMDS elements.

## What GAO Recommends

GAO recommends that DOD establish a standard process for long-term BMDS support planning and establish a requirement to estimate BMDS operation and support costs. In response, DOD generally agreed stating that its draft proposal for managing BMDS is intended to handle these issues.

To view the full product, including the scope and methodology, click on [GAO-08-1068](#). For more information, contact John Pendleton at (404) 679-1816 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov).

## MISSILE DEFENSE

### Actions Needed to Improve Planning and Cost Estimates for Long-Term Support of Ballistic Missile Defense

#### What GAO Found

DOD has taken some initial steps to plan for BMDS support, but efforts to date are incomplete, and difficulties in transitioning responsibilities from MDA to the services have complicated long-term planning. DOD key principles for weapon system life-cycle management stress the importance of completing support plans that cover a system's expected useful life before it is fielded. Although MDA has developed some policies and guidance for BMDS support planning, it has not developed support plans for three of the seven elements that GAO examined, and MDA has not completed an overall support plan for the integrated system. DOD's long-term support planning for BMDS is incomplete because it has not established a standard process clearly specifying what support planning should be completed before fielding or how to transition the responsibility for supporting BMDS elements from MDA to the services. For five of the seven elements GAO examined, MDA and the services have been unable to reach agreement on who will be responsible for providing support after 2013. DOD has drafted a proposal for BMDS management that DOD officials have stated is intended, in part, to address these issues. However, the draft proposal lacks important details, and it is not clear when it is expected to be approved and implemented. Without a standardized process for long-term support planning, uncertainty will persist regarding how the elements will be supported over the long term.

DOD's recent efforts to develop operation and support cost estimates for BMDS elements have limitations and are not transparent for DOD and congressional decision makers. DOD and GAO key principles for cost estimating state that complete, credible, and independently verified cost estimates are important to support preparation of budget submissions over the short term as well as for assessing the long-term affordability of a program. DOD has started to develop operation and support cost estimates for the seven elements GAO examined, but those efforts are not yet complete and have limitations. First, the estimates are likely to change since DOD is still determining key assumptions. Second, DOD does not plan to have the estimates independently verified. Furthermore, the Future Years Defense Program, DOD's 6-year spending plan, does not fully reflect BMDS operation and support costs. DOD has not yet clearly identified BMDS operation and support costs because the department has not required that these costs are to be developed, validated, and reviewed, and it has not specified when this should be done or who is responsible for doing so. Although DOD's draft proposal for managing BMDS contains some funding suggestions, it does not address the operation and support cost limitations GAO identified. Without a requirement to develop and validate BMDS operation and support cost estimates, DOD will have difficulty preparing credible budget requests and assessing the affordability of BMDS over the long term.