



Highlights of [GAO-10-311](#), a report to congressional committees

Why GAO Did This Study

By law, GAO is directed to assess the annual progress the Missile Defense Agency (MDA) made in developing and fielding the Ballistic Missile Defense System (BMDS). GAO also assessed MDA's progress toward improving accountability and transparency in agency operations, management processes, and its acquisition strategy. To accomplish this, GAO reviewed asset fielding schedules, test plans and reports, as well as pertinent sections of Department of Defense (DOD) policy to compare MDA's current level of accountability with that of other DOD programs. GAO's fiscal year 2009 assessment of MDA's cost, schedule, and performance progress is more limited than previous assessments because MDA removed key components of schedule and performance goals from its annual report of goals. In addition, though it had committed to, MDA did not report total cost estimates in 2009.

What GAO Recommends

GAO makes a number of recommendations for MDA to increase transparency and accountability through more thorough and consistent reporting of baselines and variances to those baselines. In addition, GAO recommended that MDA apply more knowledge-based approaches to its new acquisition initiatives and report these initiatives and their associated commitments to Congress. In response, DOD fully concurred with 9 of the 10 recommendations and partially concurred with 1.

View [GAO-10-311](#) or [key components](#). For more information, contact Cristina Chaplain at (202) 512-4841 or chaplainc@gao.gov.

DEFENSE ACQUISITIONS

Missile Defense Transition Provides Opportunity to Strengthen Acquisition Approach

What GAO Found

Fiscal year 2009 was an unprecedented year of transition for MDA as it experienced its first change of administration, its third MDA Director, shifts in plans for missile defense in Europe as well as a shift in focus for technology development from intercepting missiles during the boost phase to the early intercept phase. Such changes present new challenges for MDA but also opportunities to strengthen acquisition approaches.

Progress

MDA achieved several accomplishments. For example, MDA revised its testing approach to better align tests with modeling and simulation needs and undertook a new targets development effort to resolve longstanding problems supplying sufficient and reliable targets. The agency also demonstrated increased levels of performance for some elements through flight and ground testing. Fiscal year 2009 testing indicates an increased level of interoperability among multiple elements, improving both system-level performance and advancing the BMDS models and simulations needed to predict performance. In addition, the agency delivered 83 percent of the assets it planned to deliver by the end of fiscal year 2009.

Challenges

While there was progress, all BMDS elements had delays in conducting tests, were unable to accomplish all planned objectives, and experienced performance challenges. Poor target performance continued to be a problem, causing several test delays and leaving several test objectives unfulfilled. The test problems also precluded MDA from gathering key knowledge and affected development of advanced algorithms and homeland defense. These test problems continued to affect the models and simulations used to assess the overall performance of the BMDS. Consequently, comprehensive assessments of its capabilities and limitations are still not possible. MDA also redefined its schedule baseline, eliminating goals for delivering integrated capabilities so we were not able to assess progress in this area. Despite these problems, MDA proceeded with production and fielding of assets.

Transparency, Accountability, and Oversight

In 2009, the significant adjustments MDA made to its acquisition approach—terminating the block structure; reducing, eliminating, or not reporting key baselines; and terminating its capability declaration process—and adjustments to the material reported to Congress reduced the transparency and accountability MDA had begun to build. However, MDA is beginning to implement several initiatives—including the adoption of key principles of DOD acquisition regulations—that could improve transparency and accountability and lay the foundation needed for oversight. If these initiatives are implemented in accordance with knowledge-based acquisition principles, an opportunity exists to improve the BMDS acquisition by ensuring MDA programs begin with realistic, transparent plans and baselines. While these initial steps hold promise, they will take time to fully implement and once implemented they will need to be sustained over time and consistently applied.