DEFENSE MANAGEMENT

Key Challenges Should be Addressed When Considering Changes to Missile Defense Agency's Roles and Missions

What GAO Found

While MDA's exemption from traditional DOD processes allowed it to quickly develop and field an initial ballistic missile defense capability, this approach has led to several challenges. DOD now has an opportunity to better balance the flexibility inherent in MDA's unique roles with the need for effective management and oversight of ballistic missile defense programs. Furthermore, the start of a new administration and the appointment of a new MDA Director offer DOD the chance to more fully address the challenges identified in GAO's prior work. These include the following:

- **Incorporating Combatant Command Priorities:** While DOD established a process in 2005 to address the combatant commands' needs for ballistic missile defense capabilities, GAO reported in 2008 that the process was evolving and had yet to overcome key limitations to its effectiveness, including the need for more effective methodologies to clearly identify and prioritize the combatant commands' needs. Additionally, when developing ballistic missile defenses, MDA lacked a departmentwide perspective on which of the commands' needs were most significant.

- **Establishing Adequate Baselines to Measure Progress:** MDA's flexible acquisition approach has limited the ability for DOD and congressional decision makers to measure MDA's progress on cost, schedule, and testing. Specifically, as GAO reported in March 2009, MDA's baselines are incomplete as difficulties in transitioning responsibilities from MDA to the services have complicated long-term planning. Additionally, although operation and support costs are typically 70 percent of a weapon system's life cycle costs, DOD has not required that full cost estimates for ballistic missile defense operations and support be developed and validated, and DOD's 6-year spending plan does not fully reflect these costs.

DOD has recently taken some steps to improve transparency and accountability of ballistic missile defense programs, such as the creation of a Missile Defense Executive Board to provide top level oversight and a life cycle management process that established defense wide funding accounts. Although these are positive steps, they do not yet provide comprehensive information for acquisition oversight; and have not yet clearly defined the roles and responsibilities of MDA and the services, including how the defense wide account will be used to fund the ballistic missile defense program over the long term. As DOD seeks to improve transparency and accountability, sustained top leadership will be needed to build upon this recent progress.