

GAO Highlights

Highlights of [GAO-14-481T](#), a testimony Before the Subcommittee on Strategic Forces, Committee on Armed Services, U.S. Senate

Why GAO Did This Study

In order to meet its mission, MDA is developing a diverse group of BMDS components including (1) land-, sea-, and space-based sensors; (2) interceptors; and (3) a battle management system. These systems can be integrated in different ways to provide protection in various regions of the world. Since its inception in 2002, MDA has been given flexibility in executing the development and fielding of the ballistic missile defense system. This statement addresses recent MDA progress and the challenges it faces with its acquisition management. It is based on GAO's March and April 2014 reports and prior reports on missile defense.

What GAO Recommends

In April 2014, GAO recommended that MDA verify any changes needed for the SM-3 Block IB missile through flight testing before approving full production; retest the fielded GMD interceptor to demonstrate performance and the effectiveness of changes; and take actions to improve the clarity of its schedule baselines. DOD partially concurred with the recommendation on the SM-3, stating that MDA will verify the efficacy of any modifications by testing and that the production decision will be vetted through the DOD process. DOD did not agree with the recommendation on GMD, stating that the decision to flight test the interceptor will be made by the Director, MDA, based on the judgment of other stakeholders. GAO previously made recommendations on EPAA and testing. DOD generally concurred with them. GAO continues to believe all recommendations are valid.

View [GAO-14-481T](#). For more information, contact Cristina Chaplain at (202) 512-4841 or chaplainc@gao.gov.

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MISSILE DEFENSE

Mixed Progress in Achieving Acquisition Goals and Improving Accountability

What GAO Found

The Department of Defense's (DOD) Missile Defense Agency (MDA) made progress in its goals to improve acquisition management, and accountability and transparency. The agency gained important knowledge for its Ballistic Missile Defense System (BMDS) by successfully conducting several important tests, including the first missile defense system-level operational flight test. Additionally, key programs successfully conducted developmental flight tests that demonstrated key capabilities and modifications made to resolve prior issues. MDA also made some improvements to transparency and accountability. For example, MDA improved the management of its acquisition-related efforts to deploy a missile defense system in Europe and MDA continued to improve the clarity of its resource and schedule baselines, which are reported to Congress for oversight.

Although some progress has been made, MDA acquisitions are still high risk, due to inherent technical and integration challenges, tight timeframes, strategies that overlap development and production activities, and incomplete management tools. More specifically:

- MDA faces challenges stemming from higher-risk acquisition strategies that overlap production activities with development activities. While some concurrency is understandable, committing to production and fielding before development is complete often results in performance shortfalls, unexpected cost increases, schedule delays, and test problems. GAO found that the Aegis Ballistic Missile Defense SM-3 Block IB and Ground-based Midcourse Defense programs, which have already produced some of their assets before completing testing, discovered issues during testing that have affected or continue to affect production.
- Testing continues to fall short of goals. For example, the first ever system-level operational flight test failed to demonstrate true integration. MDA also combined, delayed, and deleted some tests, and eliminated test objectives in other tests. These challenges reduced the knowledge they had planned to obtain in order to understand the capabilities and limitations of the BMDS.
- MDA has not yet fully developed or implemented a complete management strategy for synchronizing its efforts to deploy missile defense in Europe. As a result, it remains unclear how different European Phased Adaptive Approach (EPAA) efforts are aligned together and what constitutes success in delivering capabilities in Europe.
- Issues with the content and presentation of resource and schedule baselines continue to limit their usefulness as management tools. For the fourth year, GAO has found that MDA's cost estimates are unreliable for some BMDS elements and do not include certain costs for military services which may significantly understate total costs. Recently, Congress took steps to require that improvements be made to MDA's cost estimates, so GAO did not make any new cost recommendations. MDA's schedule baselines continue to be presented in a way that makes it difficult to assess progress. For instance, MDA's schedule baselines identify numerous events, but provide little information on the events and why they are important.