



Highlights of [GAO-04-409](#), a report to congressional committees

Why GAO Did This Study

The Department of Defense (DOD) has treated ballistic missile defense as a priority since the mid-1980s and has invested tens of billions of dollars to research and develop such capabilities. In 2002 two key events transformed DOD's approach in this area: (1) the Secretary of Defense consolidated existing missile defense elements into a single acquisition program and placed them under the management of the Missile Defense Agency (MDA) and (2) the President directed MDA to begin fielding an initial configuration, or block, of missile defense capabilities in 2004. MDA estimates it will need \$53 billion between fiscal years 2004 and 2009 to continue the development, fielding, and evolution of ballistic missile defenses.

To fulfill a congressional mandate, GAO assessed the extent to which MDA achieved program goals in fiscal year 2003. While conducting this review, GAO also observed shortcomings in how MDA defines its goals.

What GAO Recommends

GAO recommends that DOD carry out independent, operationally realistic testing of each block being fielded. GAO also recommends that MDA set cost, schedule, and performance baselines for each block being fielded. DOD agreed to establish these baselines but stated that formal operational testing is not required before entry into full-rate production.

www.gao.gov/cgi-bin/getrpt?GAO-04-409.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Levin at (202) 512-4841 or levinr@gao.gov.

MISSILE DEFENSE

Actions Are Needed to Enhance Testing and Accountability

What GAO Found

MDA accomplished many activities in fiscal year 2003—such as software development, ground and flight testing, and the construction of facilities at Fort Greely, Alaska—leading up to the fielding of the initial block of the Ballistic Missile Defense System. During this time, however, MDA experienced schedule delays and testing setbacks, resulting in the fielding of fewer components than planned in the 2004-2005 time frame. For example, delays in interceptor development and delivery have caused flight tests (intercept attempts) of the Ground-based Midcourse Defense (GMD) element to slip over 10 months. In flight tests conducted during fiscal year 2003, MDA achieved a 50 percent success rate in intercepting target missiles. While MDA is increasing the operational realism of its developmental flight tests—e.g., employing an operational crew during its late 2003 ship-based intercept attempt—the GMD element has not been tested under unscripted, operationally realistic conditions. Therefore, MDA faces the challenge of demonstrating whether the capabilities being fielded, consisting primarily of the GMD element, will perform as intended when the system becomes operational in 2004. Finally, MDA's cost performance during fiscal year 2003 was mixed. The prime contractors of four system elements completed work at or near budgeted costs during this time, but prime contractors for two system elements overran budgeted costs by a total of about \$380 million.

GAO found that program goals do not serve as a reliable and complete baseline for accountability purposes and investment decision making because they can vary year to year, do not include all costs, and are based on assumptions about performance not explicitly stated. For example, between its budget requests for fiscal years 2004 and 2005, MDA revised its estimated cost for the first fielded block of missile defense capability. This first block is costing \$1.12 billion more and consists of fewer fielded components than that planned a year earlier. In addition, MDA's acquisition reports for Congress do not include life-cycle costs, which normally provide explicit estimates for inventory procurement, military construction, operations, and maintenance. Finally, MDA does not explain some critical assumptions—such as an enemy's type and number of decoys—underlying its performance goals. As a result, decision makers in DOD and Congress do not have a full understanding of the overall cost of developing and fielding the Ballistic Missile Defense System and what the system's true capabilities will be.

Elements of MDA's Ballistic Missile Defense System

First fielded block	Future blocks
Aegis Ballistic Missile Defense	Airborne Laser
Command, Control, Battle Management, and Communications	Kinetic Energy Interceptors
Ground-based Midcourse Defense	Space Tracking and Surveillance System
	Theater High Altitude Area Defense

Sources: MDA (data); GAO (presentation).