



Highlights of [GAO-09-648T](#), a testimony before the Subcommittee on Strategic Forces, Committee on Armed Services, House of Representatives

Why GAO Did This Study

Despite a growing investment in space, the majority of large-scale acquisition programs in the Department of Defense's (DOD) space portfolio have experienced problems during the past two decades that have driven up cost and schedules and increased technical risks. The cost resulting from acquisition problems along with the ambitious nature of space programs have resulted in cancellations of programs that were expected to require investments of tens of billions of dollars. Along with the cost increases, many programs are experiencing significant schedule delays—as much as 7 years—resulting in potential capability gaps in areas such as positioning, navigation, and timing; missile warning; and weather monitoring.

This testimony focuses on

- the condition of space acquisitions,
- causal factors,
- observations on the space industrial base, and
- recommendations for better positioning programs and industry for success.

In preparing this testimony, GAO relied on its body of work in space and other programs, including previously issued GAO reports on assessments of individual space programs, common problems affecting space system acquisitions, and DOD's acquisition policies.

View [GAO-09-648T](#) or [key components](#). For more information, contact Cristina Chaplain at (202) 512-4841 or chaplainc@gao.gov.

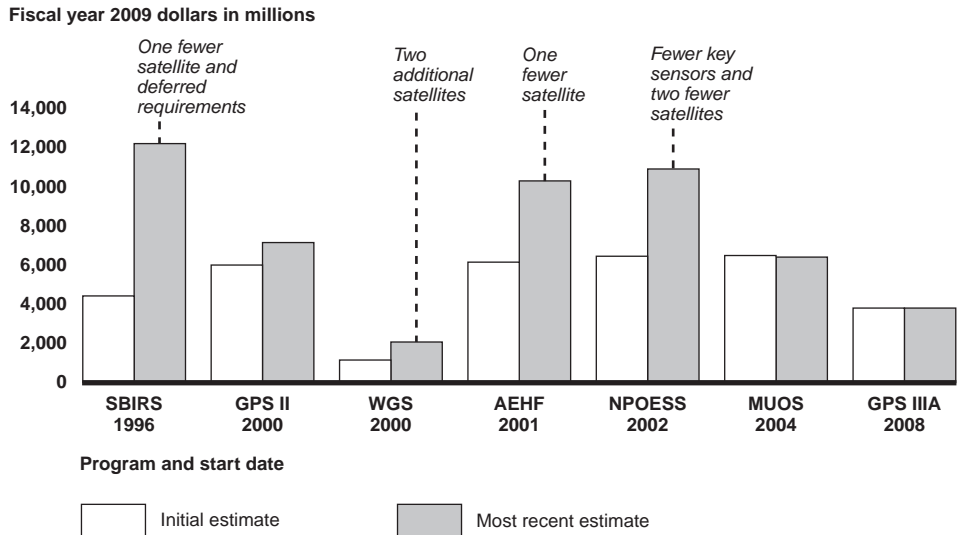
SPACE ACQUISITIONS

Government and Industry Partners Face Substantial Challenges in Developing New DOD Space Systems

What GAO Found

Estimated costs for major space acquisition programs have increased by about \$10.9 billion from initial estimates for fiscal years 2008 through 2013. As seen in the figure below, in several cases, DOD has had to cut back on quantity and capability in the face of escalating costs.

Total Cost Differences from Program Start to Most Recent Estimates



Source: GAO analysis of DOD data.

Legend: SBIRS = Space Based Infrared System, GPS = Global Positioning System, WGS = Wideband Global SATCOM, AEHF = Advanced Extremely High Frequency, NPOESS = National Polar-orbiting Operational Environmental Satellite System, and MUOS = Mobile User Objective System.

Several causes behind the cost growth and related problems consistently stand out. First, DOD starts more weapon programs than it can afford, creating a competition for funding that encourages, among other things, low cost estimating and optimistic scheduling. Second, DOD has tended to start its space programs before it has the assurance that the capabilities it is pursuing can be achieved within available resources.

GAO and others have identified a number of pressures associated with the contractors that develop space systems for the government that have hampered the acquisition process, including ambitious requirements, the impact of industry consolidation, and shortages of technical expertise in the workforce. Although DOD has taken a number of actions to address the problems on which GAO has reported, additional leadership and support are still needed to ensure that reforms that DOD has begun will take hold.