



Highlights of [GAO-05-817](#), a report to the Subcommittee on Strategic Forces, Committee on Armed Services, House of Representatives

## Why GAO Did This Study

In 2002, the Department of Defense (DOD) implemented a new acquisition model to develop a Ballistic Missile Defense System (BMDS) that included all major missile defense acquisitions, some of which were being developed by the military services. The model called for the management and funding responsibility for production, operation, and sustainment of a capability to be transferred to a military service when a BMDS element or major component is technically mature and plans for production are well developed.

The Missile Defense Agency (MDA) was given responsibility for developing the BMDS and recommending the transfer of management and funding responsibilities to the services. In 2004, MDA emplaced an initial missile defense capability, but DOD did not transfer management and funding responsibility for that capability. Because a formal transfer did not occur, GAO was asked to (1) identify DOD's criteria for deciding when a missile defense capability should be transferred to a service and (2) determine how DOD is managing the costs of fielding a BMDS capability.

## What GAO Recommends

GAO is making recommendations that will assist in clarifying MDA and military service roles and responsibilities for missile defense assets. DOD agreed to implement these recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-05-817](http://www.gao.gov/cgi-bin/getrpt?GAO-05-817).

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](mailto:levinr@gao.gov).

## DEFENSE ACQUISITIONS

# Actions Needed to Ensure Adequate Funding for Operation and Sustainment of the Ballistic Missile Defense System

## What GAO Found

There is currently uncertainty as to which assets may eventually be transferred to each military service and under what conditions those transfers should occur. This uncertainty makes it difficult for the services to plan to address the requirements of DOD acquisition regulations and realign their budgets to support the missile defense mission. According to MDA and other DOD officials, when transfer criteria were established in 2002, the Department did not fully understand the complexity of the BMDS and how it could affect transfer decisions. For example, it has been difficult to determine whether MDA or a military service will be responsible for managing and funding some assets, such as stand-alone missile defense radars, because these assets are not integrated on service platforms or do not perform core service missions. MDA officials suggested that these components could be operated by either contractors or military personnel and MDA might fund their operation and sustainment. A team that includes representatives from the military services, the combatant commands, MDA, and other DOD offices was established early this year to address transfer issues. However, because MDA and the services have been unable to reach agreement on the transfer of some missile defense assets, a unit under the Joint Chiefs of Staff was tasked in July 2005 with recommending revisions to the existing transfer criteria.

MDA budgeted \$1.5 billion of its fiscal year 2005 research and development funds to acquire interceptors and radars and upgrade various BMDS components. It expects to continue to acquire and upgrade BMDS assets through 2011 and beyond. However, MDA and the services disagree as to who should pay for operating and sustaining the initial defensive capability after fiscal year 2005. Additionally, although DOD has budgeted \$68.5 billion to develop, procure, operate, and sustain a missile defense capability between 2005 and 2011, it has not completely determined whether additional operation and sustainment funds will be needed, and it has not included all known operation and sustainment costs in its budget. Until DOD decides who will fund these costs, the services will likely continue to provide only the funding that they have been directed to provide. As a result, some needs—for which neither MDA nor the services have planned—will go unfunded. Additionally, if the funds budgeted for some purposes, such as logistical support for the BMDS, turn out to be insufficient, DOD will either have to take funds from other programs or spend less on missile defense.