

STATEMENT OF SENATOR DANIEL K. INOUE
MISSILE DEFENSE AGENCY BUDGET OVERVIEW HEARING
MAY 25, 2012

Today, we are pleased to welcome Lieutenant General Patrick O'Reilly, the Director of the Missile Defense Agency (MDA), to discuss the Administration's Fiscal Year 2012 budget request for missile defense programs.

For Fiscal Year 2012, MDA is requesting \$8.6 billion, an increase of \$120 million over amounts appropriated in Fiscal Year 2011, to support a viable homeland defense, enhance European regional defenses, continue testing the current system, and to develop new capabilities to address emerging threats.

2012 will mark the ten-year anniversary of the Missile Defense Agency, although its predecessor organizations track their origins all the way back to 1983, when President Reagan launched the Strategic Defense Initiative some 28 years ago.

Since its inception, MDA has developed and fielded highly complex, integrated missile defenses against short-range, medium-range and intercontinental ballistic missiles. For the defense of our homeland, the Agency has emplaced 30 Ground-Based Interceptors in Alaska and California, and for regional defenses, MDA and the Navy have delivered 23 Aegis Ballistic Missile Defense ships capable of engaging short- to medium-range missiles. In addition, the President has tasked MDA with carrying out the European Phased Adaptive Approach to provide regional missile defense for our allies. Finally, MDA continuously develops and fields upgraded capabilities to counter evolving threats.

I congratulate you and your dedicated team at the Missile Defense Agency for your many successes. As you know, development of these highly sophisticated systems has not always been easy, and it carries a large price tag. For example, last year, the Ground Based Interceptor failed two flight tests within the span of eleven months. From an operational perspective, this is obvious cause for concern. From the taxpayer standpoint, these tests cost over \$200 million apiece, so we can no longer afford to fail.

In addition, last year, the THAAD interceptor required some redesign work that resulted in significant production delays. I strongly support the THAAD

program, and these missiles need to be fielded. However, it is critical that the new design works and is producible in the quantities that have been requested.

This Committee was also concerned last year over the procurement strategy of the Standard Missile program and redirected funding to continue buying the Block 1A Standard Missile since the Block 1B development was delayed. The fiscal year 2012 budget request again includes no funds for the Block 1A missile. Yet the request includes over \$500 million for the procurement of Block 1B missiles, even though we will not know until a test late this summer whether the redesigned missile works. This seems like a risky strategy, especially when the Navy requires more missiles to respond to real world threats than are in the inventory today.

I look forward to hearing your thoughts on how you plan to address the challenges mentioned. However, before we proceed, I turn to the Vice Chairman, Senator Cochran, for any opening comments he would like to make.