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Subcommittee on National Security and Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives

Hearing on “GPS: Can We Avoid a Gap in Service?”

As Prepared for Delivery

May 7, 2009

Good morning. Today, the Subcommittee on National Security and Foreign Affairs will continue its oversight of defense procurement with a hearing that focuses on a technology that most Americans are familiar with: GPS. GPS, or the Global Positioning System, was invented by the United States for the purpose of assisting the military in combat operations, but has now expanded to all manner of industries – from personal transportation assistance to commercial aircraft navigation to emergency medical response.

GPS is made technologically possible by a group of satellites, known as a “constellation,” positioned in such a manner that, when communicating with receivers on the ground, we can pinpoint a location anywhere on the globe. As an acquisition program, GPS service falls within the clear responsibility of the Department of Defense – most notably the Air Force. However, it affects multitudes of users far beyond the military. Civilian government agencies rely on it; as do commercial industries, personal users, and the international community. Indeed, it is as much a part of the world’s infrastructure as it is a critical system for national defense.

Unfortunately, that reliance is at risk of being misplaced. This morning’s hearing was called in light of this Subcommittee’s requested GAO report entitled: “Global Positioning System: Significant Challenges in Sustaining and Upgrading Widely Used Capabilities.” In this report, GAO documents weaknesses in the procurement of upgrades for GPS satellites, as well as the negative effect that these failings have had on current and future efforts.

The current block upgrade of GPS, GPS IIF [two-F], has overrun its original estimated cost of \$729 million by an additional \$870 million. In addition, the block will be completed three years late.

This is not a new problem to DOD procurement. We have another situation where the contractor – given total system responsibility for the development – could not execute the job either on time or on budget. According to GAO, “no major satellite program undertaken in the past decade has met its scheduled goals.” It would seem that GPS is no exception. What was billed as an effort to streamline the acquisition process instead resulted in a lack of oversight and control by the Air Force and Department of Defense.

This does not bode well for the next GPS block upgrade – GPS IIIA [three-A] – which just began in May of last year under an extremely aggressive acquisition schedule. The Air Force has engaged a different company and plans greater oversight for this block. The GPS IIIA [three-A] contract was intended to be reminiscent of the days before acquisition reform, when the government tracked contracts closely rather than letting the companies run free.

That sounds good; however, like the predecessor GPS block and so many other DOD procurements, the contract is a “cost plus” type contract, meaning the government will pick up the tab no matter how expensive it ends up becoming. This system not only hinders the accountability on behalf of the contractor to the government, but also hinders the accountability of the government to the taxpayer. I look forward to hearing from our Air Force and DOD witnesses today about how the failings of the past will be avoided.

GAO conducted an analysis of the probability of maintaining this 24 satellite commitment. That analysis shows the probability of a 24 satellite constellation falling to roughly 80% in the 2011-2012 timeframe. In an additional analysis, GAO outlined a scenario where, if the GPS III block encounters even just a conservative two-year delay, the probability of maintaining a full service constellation drops precipitously starting in October 2013, possibly going as low as 10% by 2018. In light of recent history, I am troubled if we are wholly relying on the hope that the GPS acquisition schedule holds as it stands today.

This brings us to a second and equally important set of issues: how is DOD preparing for this potential occurrence and what impact may there be to users if a gap does occur? The reality is that from an acquisition perspective, we are nearing the eleventh hour. The President’s fiscal 2010 budget terminates funding for the primary GPS back-up system, LORAN. That puts a lot

of pressure on DOD to ensure GPS meets all user needs—a precarious position to be in if a gap is looming.

What are DOD and the Air Force doing to prepare users for what could be a shock to the system? DOD and users need a robust dialogue in order to ensure that user requirements are met and funded, users are prepared for any possible reduction in service, and the GPS industry can be involved in discussions about potential mitigation strategies.

GPS is a critical asset to our economy and to our security. It's unfortunate that we may find ourselves in a position of weakness because we have not yet learned to get our procurement house in order. My hope is that today's hearing will provide the opportunity for all parties to come to the table to air and address concerns and to bring public attention to this important matter.