

OFFICE OF THE SECRETARY

400 1000

MEMORANDUM FOR THE SECRETARY OF THE AIR FORCE

SUBJECT: MOL Program Plan and Funding Requirements

PROBLEM:

Coincident with the submission of the MOL Program Plan and Funding Requirement to the Secretary of the Air Force on June 22, it was learned that the \$80 million additional FY 67 funds anticipated for MOL would probably not be appropriated by the Congress. Subsequently, the MOL Program has been apportioned \$178.4 million FY 67 funds by OSD. This reduced funding availability in FY 67 for MOL requires that possible alternatives for proceeding with the MOL Program be developed.

FACTORS BEARING ON PROBLEM:

The following assumptions are considered valid for establishing a meaningful approach for orienting the MOL Program to a lower level of funding for FY 67:

A. The primary objective of the MOL Program is to develop a high resolution photographic reconnaissance capability to be operated in both manned and unmanned modes.

B. Achieve a full mission capability as early as possible with funds provided.

C. Continue with the full scale development of the camera-optical system as this is the pacing MOL Program element.

D. Maintain essential effort of other program elements to support an overall MOL Program schedule commensurate with the availability of the camera-optical system.

~~SECRET~~
Handle via BYEMAN
Control System

~~SECRET~~

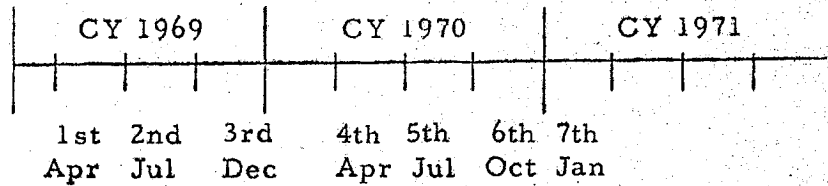
Page 1 of 15 pages
Copy 2 of 2 copies
SAFSL Control BYE 21185-66

ser ACJ

DISCUSSION:

As a result of the recently completed contract definition effort, a MOL baseline configuration has been established as well as a recommended program schedule and fiscal year funding requirement.

Recommended Program Flight Schedule



- #1 Flight - Titan IIIM & Gemini "B" Qualification
- #2 Flight - Titan IIIM Qualification (Gemini B optional)
- #3, 4 & 5 Flights - Manned/Automatic
- #6 & 7 Flights - Automatic

MOL Funding Requirements (Millions)

FY 67 - \$253.9	FY 70 - \$289.6
FY 68 - \$556.8	FY 71 - \$116.1
FY 69 - \$457.8	

This recommended schedule represents a 10 month slip in achieving the first reconnaissance flight capability from that initially planned at the outset of the program. This schedule was revised primarily to be compatible with the capability of Eastman Kodak to design, test, and produce the camera-optical assembly on a realistic time basis. The critical development elements of the camera-optical assembly such as engineering design, procurement and delivery of long lead hardware and equipment (optical blanks, optics grinders, test chambers, etc.) and the construction of test and production facilities have been initiated and are now proceeding on a schedule which will support the delivery of camera-optical assemblies to the MOL master planning schedule. While other elements of the MOL

BYEMAN

Handle via BYEMAN
Control System

~~SECRET~~
NO CONTROL

Page 2 of 5 pages

Copy 2 of 2 copies

SAPSL Control *2/2/66*

Ser A Cg 1

system such as the THIM booster and the Laboratory Vehicle have long development schedules, they are not as critical as the camera-optical assembly and are properly timed phased to support the overall MOL Schedule. The recommended MOL Program schedule is considered to be one both technologically and realistically feasible of achievement.

The following are possible alternatives that have been considered to cope with the problem of the FY 67 funding limitation:

First alternative: Re-orient the MOL Program at the time to assume that the FY 67 NOA will be limited to \$178.4 million. This fund limitation dictates a major schedule slip in the MOL Program which is estimated would postpone the first reconnaissance mission flight until approximately June 1970. It must be noted that this revised schedule date assumes that the magnitude of funding would be on the order of \$550 million each for FY 68 & 69. Based on the assumption that the MOL program funding would be held to a funding rate provided in the current F&FP, the first reconnaissance flight would probably not be sooner than November 1970.

In that this alternative results in an inefficient stretch out of the limited quantities of hardware being produced, the increase in Total Program Cost is expected to be substantial. If this program alternative is adopted it would be advisable to delay the current Air Force and Contractor evaluation and contract negotiation effort and to require all Contractors to submit new schedule and cost proposals based on the most realistic funding criteria that could be forecast.

Second alternative: Re-orient the MOL Program to assume FY 67 new obligating authority of \$208.4 million on the assumption that an additional \$30 million can be programmed in FY 67 for MOL. This FY 67 funding plus FY 68 & 69 funding of \$575 million and \$485 million respectively would support a program schedule for the first reconnaissance flight in April 1970. However, if the FY 68 and subsequent year funding is held to the existing F&FP funding levels the first reconnaissance flight would not be sooner than about September 1970. It is estimated that the minimum increase in total program cost for this alternative is \$25-30 million.

Third alternative: Proceed initially with effort to support the recommended program schedule with the proviso to reschedule the

Page 3 of 5 pages

copy 2 of 2 copies

SANSL Control

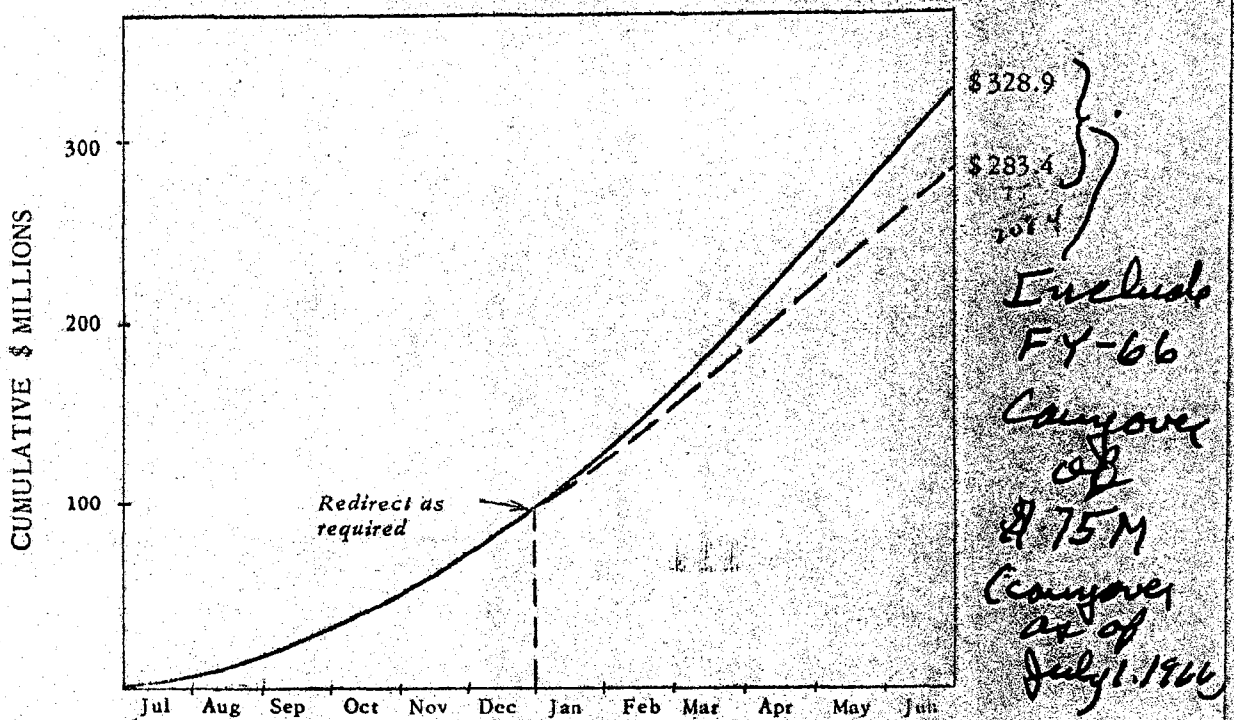
See A. C. 1

CONFIDENTIAL

MOL Program no later than January 1967 based on the realities of negotiated contract prices and FY 67 fund availability. Also this approach would allow the subsequent reprogramming action to take into account the level of FY 68 funds provided in the DOD FY 68 budget. The merit of this approach is that it affords the least disruption to the program until contract negotiations have been completed and proceeds with the program development build up to a point in time where contractor effort could be held to proceed at a level based on a program schedule dictated by the FY 67 and FY 68 funding availability.

The chart below depicts the rate of spending (incurred costs) anticipated for FY 67 and that fund obligations could be limited to \$100 million up to January 1, 1967.

FY 67 Spending Curves
SPO Cost Estimate



Control System

SECRET

Page 4 of 10
Copy 2 of 10
SAFEL Control 183-66

See AC 1

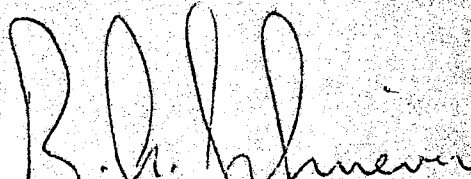
CONCLUSION:

The recommended program schedule is realistic of achievement based on the camera-optical and booster development effort in progress and a balanced phasing of development and production effort for the total program over the ensuing 4 1/2 years. This schedule meets the program objective criteria at the earliest possible time and is the most economical of accomplishment. Realizing that the FY 67 and FY 68 funding level may be lower than required to support the recommended program it is still possible to proceed on this program and retain optimum reprogramming flexibility based on available funds.

RECOMMENDED ACTION:

Consistent with the initial program direction and guidance issued by the President's Scientific Advisory Committee in late 1965 we are proceeding towards the objective of developing a high resolution orbital reconnaissance system as a high priority national goal. I recommend that approval be granted to continue with MOL development effort on closely controlled basis at a rate which supports the recommended program schedule. Anticipating that FY 67 & 68 fund availability will be more clearly specified by January 1, 1967, I recommend that any necessary rescheduling of the program be done at that time.

I have attached for your consideration, a proposed Memo to the DDR&E asking for their concurrence in this position.


B. A. SCHRIEVER
General, USAF
Director, MOL Program

1 Atch
a/s

2
BYE2185-66
Ser A Cy 1