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DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

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OFFICE OF THE SECRETARY

8 NOV 1967

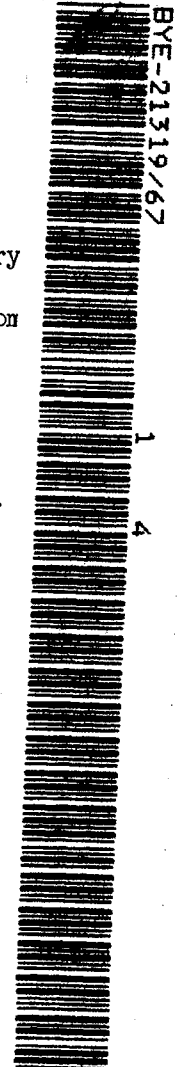
MEMORANDUM FOR THE SECRETARY OF THE AIR FORCE

SUBJECT: Manned Orbiting Laboratory Monthly Status Report

The attached Status Report on the Manned Orbiting Laboratory (MOL) Program covers activities through October 31, 1967 and is submitted in accordance with the October 16, 1967 memorandum from the Office of the Secretary.

J Stewart
for JAMES FERGUSON
General, USAF
Director, MOL Program
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I. PROBLEM

FY 1968 Funds

The MOL Program Review Council met on October 27 for an exhaustive review of FY 68/69 program financial status and outlook. The principal purpose of the financial review was to examine the impact of the firm FY 68 NOA of \$430 million.

In summary form, the FY 68 fiscal problem was defined as follows: Notwithstanding the 13-week schedule slip incorporated into the program during the Systems Office re-scheduling meetings of October 19 and 20 with the contractors, the projected end FY 68 financial position will result in certain of the MOL contractors being in an unacceptably exposed financial position if work is continued at a rate commensurate with a 13 week slip.

The Council concluded that it is now necessary to adjust program schedules and work so as to reduce or entirely eliminate projected contractor risk. The Systems Office will develop an appropriately adjusted schedule, which will then be taken as a departure point for FY 69, 70, 71 funding projections. The revised program is expected to be ready for review by mid-November.

II. CHANGE PAST MONTH

A. MOL Schedule Adjustment

Air Force and contractor MOL management met at the McDonnell-Douglas Space Center, Huntington Beach California, on October 19 and 20 to revise the MOL Master Integrated Schedule and related Hardware Exchange Lists to reflect a slip of 13 weeks in MOL launch dates. The revised schedule was formally accepted by all parties on October 20. However, in view of the FY 68 funding problems still outstanding in spite of this adjustment, additional schedule revision will undoubtedly be required.

B. DDMS Support to MOL

Generals Stewart and Bleymaier met with the DoD Manager for Manned Space Flight Support Operations, Major General V. G. Huston, on October 26 for discussions of the DDMS role in MOL recovery operations. It was agreed that the DoD Manager will participate. The nature and extent of this participation were generally defined. A memorandum formalizing these agreements will be executed.

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III. CURRENT STATUS

A. Funds

Additional FY 1968 MOL funds in the amount of \$130 million were released by DoD during October. This release brings cumulative FY 1968 funding to \$250 million against an approved program of \$430 million. The Systems Office has been provided a total of \$240 million from the available funds, and the remaining \$10 million is retained by Director, MOL. Current funding is expected to meet program requirements through December 1967.

B. Congressional

On October 25 the Program Office provided information through SAF-LL to Representative Karth's office on the award of the MOL Feeding System contract to Whirlpool. The inquiry concerned Pillsbury's unsuccessful proposal for this contract.

C. Cost/Schedule Planning and Control System

The Air Force team appointed to review and validate the Douglas Cost/Schedule Planning and Control System (C/SPCS) held its initial meetings with Douglas on October 5. The contractor gave the Air Force members an overview of the system it has established in compliance with the MOL contract C/SPCS specification. The team chairman, in turn, briefed the contractor on the procedures which will be used in the evaluation.

On October 30 the team reconvened at Douglas to start the actual validation. During the validation the team will determine whether the contractor system complies with the contract specification. A secondary objective of the team will be to establish whether the Douglas system would comply with the standard C/SPCS specification as prescribed by AFSC. The validation phase is anticipated to take two to three weeks and will be followed by a two week period during which the team will document and prepare their report.

IV. FORECAST FOR FUTURE

A. Schedule Adjustment

A revised MOL Engineering Development Phase schedule consistent with available FY 68 and projected FY 69 funds will be developed by the Systems Office as soon as practicable. Target date for Washington-area review of the revised program is November 17.

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B. Air Council Briefing

General Stewart will explore the possibility of briefing the Air Council on MOL in the near future. The purpose of this briefing would be to prepare Council members for the heavy demands that MOL will make on the FY 69 and FY 70 RDT&E appropriations, and to solicit Council support for \$600-plus million dollar MOL budgets for these two years.

C. MOL Program Review Council Meeting

The Program Review Council will meet in the Pentagon, Room 5D-227, at 10:30 A. M. November 17 to review the actions proposed by General Bleymaier to adjust the Program to FY 68 and FY 69 funding constraints.

V. DUE DATE FOR NEXT PROGRESS REPORT

The next monthly MOL Program Progress Report will be submitted December 7, 1967.

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