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DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
WASHINGTON, D. C. 20301



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14 APR 1969

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: MOL Program Funding

BACKGROUND

The Bureau of the Budget has informed us that the President did not accept its recommendation for termination of the MOL Program. The President, according to BoB, did request consideration of a one year delay and reduction of FY 70 funding from \$525 million to \$360 million, but would entertain a reclama to fund the program at a level appropriate to the program value and urgency.

You have indicated a desire to discuss this input with the President.

I suggest you present the following in your discussion with the President:

1. The value of the program was documented by in-depth studies, confirmed by the Air Force, DIA, DDRE, and OSD in 1968. Recent reviews by DDRE, Air Force, and DepSecDef re-inforced the DoD position of the need for very high resolution imagery. The reconnaissance product of MOL will provide more timely, higher confidence estimates of subtle and sophisticated enemy threats for use in DoD structure decisions.

In addition, MOL will make valuable contributions to strategic arms limitation treaty monitoring and has unique capabilities for [redacted] and targets of opportunity.

Analysis of flight crew performance during demanding MOL missions will provide a worthwhile addition to information gained from the NASA manned space flight activity.

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2. The operational use of the MOL capability would be important beginning in the 1972-75 time period because of:

- o Anticipated schedule for negotiation and ratification of a Strategic Arms Limitation Treaty;
- o Soviet R&D cycle and predicted incorporation of subtle mods in existing systems;
- o Transition of CPR R&D effort to test and demonstration of nuclear delivery capability;
- o The NASA AAP and large space station program schedules result in a gap in the nation's manned space flight in this period. MOL activity would be a "gap filler".

3. Reducing the FY 70 NOA to \$360 million would:

- o Delay the first manned MOL flight to mid-calendar 1973 and preclude operational use before 1974.
- o Increase total program cost by at least \$300 million.
- o Reduce the industry base by approximately 7000 experienced and skilled technical personnel.
- o Increase the cost of other DoD programs because of fixed overhead problems.
- o Disrupt continuity of management capability dedicated to the MOL Program within DoD and the Air Force.
- o Save approximately \$165 million in FY expenditures.

4. The MOL Program has suffered from repetitive financial perturbations. Its progress is paced not by technology but by funding. Savings in FY 70 will increase previously planned FY 71 and out year expenditures. Responsible financial management of military programs is a major objective of the Secretary of Defense and in this context a FY 70 budget of \$556 million for FY 70 and a total program of \$2.8 billion was recommended together with a six launch development

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program. Funding at this level would assure that this important intelligence capability could be achieved at minimum cost and come on-stream in time to meet the urgency of the need for improved technical intelligence. With the intense pressure on the FY 70 budget, this recommendation was reduced to \$525 million. Impact of this reduction on schedule and total cost is under evaluation.

I recommend that the MOL Program funding be at least \$525 million for FY 70.

G. L. Tucker
for John S. Foster, Jr.

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