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DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

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OFFICE OF THE SECRETARY

JUL 6 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 June 30, 1967 and is submitted in accordance with the June 13, 1967 memorandum from the Office of the Secretary. ^{31 July} 13

for Stewart
JAMES FERGUSON
General, USAF
Director, MOL Program

1 Atch
a/s

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I. PROBLEMS

None.

II. CHANGE PAST MONTH

A. MOL Program Contracts

On June 28, the Air Force executed a \$27.6 million supplemental agreement to the existing FPIF Titan III contract with Aerojet General Corporation for Engineering Development of the Titan IIIM liquid engines.

On June 23, the Air Force awarded a FPIF DORIAN contract, with a target price of approximately \$13 million, to Douglas for black Engineering Development Phase effort. With this action approximately \$688 million has been definitized with Douglas out of an estimated total Douglas program of \$892.7 million.

On June 23, the Air Force awarded a CPIF DORIAN contract, with a target price of approximately \$60 million, to General Electric for black Engineering Development Phase effort. With this action approximately \$170 million has been definitized with G.E. out of an estimated total G.E. program of \$324.6 million.

B. MOL Executive Council Management Meeting

The MOL Executive Council, an executive-level advisory body made up of senior Air Force and industry MOL managers, met at 9:30 A.M. on June 7, 1967, at Hq AFSC, Andrews Air Force Base. The agenda included a general overall program briefing and discussions of Air Force management plans, budget and funding problems, safety, and MOL industrial priorities.

C. Update of Program Plan

A major revision and update of the MOL Program Plan has been completed. The document has been forwarded to Dr. Flax for review.

D. DORIAN Status Briefing for Dr. Hornig

On June 6, a 1½-hour MOL status briefing was given to Dr. Hornig and several members of his staff. While the briefing was generally well received, Dr. Hornig expressed surprise that the MOL

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Readout System had been deferred. The possibility of restoring Readout System Hardware to the baseline program is being investigated by the Systems Office.

E. Management Realignment

The MOL management structure for the conduct of the Engineering Development Phase of the MOL Program has been realigned as a result of re-definition of responsibilities at the conclusion of the Contract Definition Phase (Phase I). Effective July 1, 1967, the Director, MOL will become responsible to the Secretary of the Air Force/Director, National Reconnaissance Office (DNRO) for the development, acquisition and test of the total MOL System in the approved baseline program, including the DORIAN payload. To accommodate the realignment of procurement functions, Major General G. F. Keeling, Deputy Chief of Staff, Procurement and Production, Headquarters Air Force Systems Command has been assigned additional duties as Assistant Director, MOL (Procurement), and his authorities broadened to encompass covert DORIAN contracting. A DORIAN contracting function will be established within the MOL Systems Office in Los Angeles.

In order to insure the proper balance and utilization of critical optical contractor resources which must be applied to both the MOL and other elements of the National Reconnaissance Program, the Director, SAFSP, will maintain surveillance for the DNRO over the utilization of optical industrial resources jointly used by MOL and SAFSP.

These and other details of the re-aligned management structure were briefed to the MOL Policy Committee on June 1, 1967.

F. General Electric Plant Cognizance

On June 13, 1967, the Assistant Secretary of Defense (Installations and Logistics), transferred plant cognizance for the General Electric Company Missile and Space Division facilities at King of Prussia, Valley Forge, Radnor, and Philadelphia, Pennsylvania, from the Defense Supply Agency to the Air Force.

G. MOL Astronaut Announcement

Public announcement of the selection of four new MOL Astronauts was made at a low-key, introductory press conference in Los Angeles on Friday, June 30, at 11:00 A.M. PDT. Major Robert Hermann of the MOL Program Office conducted the conference.

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H. MOL Policy Committee Meeting

The MOL Policy Committee met at 2:30 P.M. on Thursday, June 1. General Stewart briefed the Committee on MOL progress and plans, and reviewed the MOL management realignment which has since been effected.

III. CURRENT STATUS

A. Funds

The approval and distribution of the Aerojet General supplemental agreement and the DORIAN contracts for Douglas and General Electric enabled the program to obligate the FY 1967 funds committed to these contracts. Of the \$228,446,000 FY 1967 funds available to the program, less than \$100,000 will be unobligated and carried over into FY 1968.

In the FY 1968 apportionment, \$120,000,000 was released to the Air Force for the MOL Program. Initial release of \$100,400,000 to the MOL Systems Office was made July 1, and the remaining \$19,600,000 is retained by the Director, MOL.

B. Congressional

On June 23, Mr. William Newman, Director of the Defense Division, General Accounting Office, was briefed on the MOL Program at the DORIAN level. Also present was Mr. Handley of the Defense Contract Audit Agency (DCAA). Mr. Newman indicated his intent to discuss with Mr. W. B. Petty, the Director of DCAA, the possibility of delegating the review of MOL Black contracts to the DCAA. This approach, if implemented, would avoid some potential security problems with the GAO.

IV. FORECAST FOR FUTURE

A. MOL Astronauts Briefing to DDR&E and the Vice President

Major Lachlan MacLeay will brief Dr. Foster during July on the role of the flight crew in MOL orbital operations. A condensed version of the same briefing will be prepared for presentation to the Vice President in connection with his informal visit to the National Photographic Interpretation Center tentatively scheduled for July 25th. Major MacLeay and other MOL astronauts will be at NPIC on July 25, participating in the indoctrination program conducted by the Center.

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B. Secretary of Defense Visit to MOL Contractors

The date for Secretary McNamara's visit to General Electric and Eastman Kodak will be established subsequent to Dr. Foster's visit on July 18, 1967. Dr. Foster's visit will serve as a dress rehearsal for the presentations, which are being coordinated by the MOL Program Office.

C. MOL Program Review Council Meeting

The monthly MOL Program Review Council Meeting (which replaces the monthly MOL Management Meeting) for July, 1967, will be held in the Pentagon on July 27. The agenda will be established about July 14.

V. DUE DATE FOR NEXT PROGRESS REPORT

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

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