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DEPARTMENT OF THE AIR FORCE
MANNED ORBITING LABORATORY, SYSTEMS PROGRAM OFFICE (OSAF)
AF UNIT POST OFFICE, LOS ANGELES, CALIFORNIA 90045



14 MAR 1967

MEMORANDUM FOR GEN EVANS

SUBJECT: Decisions/Guidance for MOL

The following is my understanding of decisions made and guidance furnished the SPO at the meeting 10 March 1967 with Dr. Flax and General Ferguson:

1. The SPO should no longer plan on Expenditure/Fee funding of its contracts. The impact on the MOL budget of reverting to the normal method of funding R&D contracts is to be assessed by this office.

2. Dr. Flax still intends to secure a DX rating for the MOL program but it will be some time into the future. For the near term we must work with a DO rating. Dr. Flax indicated he would try to move the MOL program higher up the DO precedence list to a position under those programs supporting the Vietnam effort.

3. It was agreed that the MOL incentive contracts would not be altered to CPFF. The FPIF or CPIF feature would remain but the contracts are to be renegotiated by the SPO on a basis of:

- a. A schedule slip of 15 months minimum.
- b. A DO priority in lieu of a DX.
- c. Fiscal year funding limitations.

4. The fiscal year funding limitations applicable to subparagraph 3c above are:

a. FY 67 - \$286M plus that additional minimum funding necessary as a result of reverting to normal R&D contracting.

b. FY 68 - \$500M (normal funding basis).

c. FY 69 - to be determined - (Dr. Flax and General Ferguson to meet with Dr. Brown, 11 March 1967; attempt will be made at that time to secure a commitment of \$650M).

d. Upon determination of 68-69 FY funding, the SPO will establish FY funding requirements for FY 70 and beyond.

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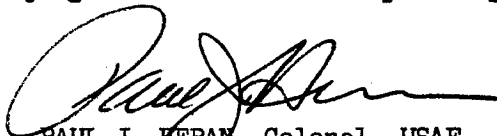
5. Upon completion of action in subparagraph 4 above, the approved revised blue book will establish the 5-year funding plan for MOL.

6. This office is authorized to direct the release of the Titan III contracts.

7. Dr. Flax will examine possibility of transfer of Titan IIIM nonrecurring costs to Titan III line item from MOL line item.

8. Tentatively plan on next MOL Program Review with General Ferguson and Dr. Flax 6 or 7 April.

9. Dr. Flax reserved judgment on further MOL participation in NASA, SIVB experiments.



PAUL J. HERAN, Colonel, USAF
Deputy Director, MOL

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