SS-7

DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

OFFICE OF THE ASSISTANT SECRETARY

PRO 46 a.

June 29, 1967

Dear Hilly:

This is in response to your letter of June 14, regarding your company's desire to participate in possible new space system activities.

I want to assure you that I recognize the development-production history of your organization on ballistic missile and space systems. I also appreciate the manpower problem described in your letter. Be assured that I will consider all of these facts in evaluating the capability of your company with regard to new work.

Sincerely yours,

Alexander H. Flax

Mr. Hilliard W. Paige
Vice President & General Manager
The General Electric Company
Valley Forge Space Technology Center
P.O. Box 8555
Philadelphia, Pennsylvania 19101

GENERAL ELECTRIC
COMPANY
MISSILE AND SPACE DIVISION
VALLEY FORGE SPACE TECHNOLOGY CENTER
P. O. BOX 8555 PHILADELPHIA, PA. 19101

HILLIARD W. PAIGE
VICE PRESIDENT AND
GENERAL MANAGER

June 14, 1967

The Honorable Alexander H. Flax
Assistant Secretary of the Air Force
for Research and Development
Room 4E968
The Pentagon
Washington, D. C.

Dear Al:

As it appears that a decision to proceed with the 612 Program is near-at-hand I am prompted to review the points made during Jack Parker's and my visit with you last fall. These points, you will recall, were five in number:

1. General Electric, in the early 1965 studies, conceived with the Air Force the extended mission approach which took advantage of the capabilities of the already developed Titan III Booster and provided the cost effective solution reflected in today's 612 requirements.

2. We have competed for and won the spacecraft for this mission twice already. I am sure you had very compelling reasons for feeling you had to re-compete it a third time, but we feel that when this is done it tends to narrow the gap between the competitors each time as intelligence leaks out about the features of the winning proposal. Thus the contractor offerings get closer together and harder to choose between. (See Point 1) For this reason we feel that particular consideration should, in this program, be given to the remaining three points.

3. The proven 206 team is still in place and has nothing to do; the only unemployed U. S. spacecraft team with experience in this mission.

4. If the spacecraft goes to Lockheed (the most logical of the other contenders) the Air Force will be back to a single source situation for this type of spacecraft. I am sure you will agree that the competition over the past seven years between ourselves and Lockheed for these types of spacecraft has been of great benefit to the Air Force. Indeed, we were

told at the time that it was problems and concern, due to the lack of a competitive situation, that led to the original competition for the 206.

5. Most important of all, the General Electric 206 team has really turned to and performed for you in the last eighteen months. These men have worked 60 to 80 hour weeks, month after month, to achieve their outstanding record of fourteen successes in the last fifteen tries. There is much thought being given, and rightly so, to incentivizing our defense contractors, but above all else these men understand the plain talk that if they deliver you poor quality hardware and service you will go elsewhere, whereas if they strive for and achieve an acceptable level of performance, you will recognize and reward this by keeping them on your team. Of the one thousand plus people involved in a program of this type, only a very few see any of the flight performance incentive fee. The only reward they ask for or expect is that if and when they do good work, they can look forward to, and think and plan in terms of, a career in this type of work, rather than a two to five year assignment. Only in this sort of risk-reward environment, Al, can we in management attract and keep the type of individuals and teams you must have in-place around the country to keep from having to re-climb that expensive learning curve on every new "one shot" project.

Sincerely,

H. W. Paige

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DEPARTMENT OF THE AIR FORCE
OFFICE OF THE SECRETARY

MEMORANDUM

April 18, 1967

Dr. Flax

[redacted] stopped by your office to deliver this second installment from Hillary Paige.

Apparently you were not available at the time so [redacted] asked if I would read it and also pass it in to you.

Russell A. Berg
Brigadier General, USAF

Atch
Apr 18 67
ltr fm Paige
to Flax

GENERAL ELECTRIC
COMPANY
MISSILE AND SPACE DIVISION
VALLEY FORGE SPACE TECHNOLOGY CENTER
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HILLIARD W. PAIGE
VICE PRESIDENT AND
GENERAL MANAGER

April 18, 1967

The Honorable Alexander H. Flax
Assistant Secretary of the Air Force
for Research and Development
Room 4E968
The Pentagon
Washington, D. C.

Dear Al:

This is a follow-up to my recent letter of April 10, 1967 and, like it, addresses considerations involved in getting some of your new programs underway. As you will remember, that letter dealt with factors involved in a possible new synchronous (or elliptical) satellite system. This letter, in turn, concerns itself with the 612 Program.

Some time has passed since General Electric submitted its 612 Program proposal to the Air Force. I want to reconfirm our key commitments to you in light of other recent developments.

These developments include: a cutback in flights remaining on Program 206; the plans for rapid final termination of this program on June 30, 1967; the aforementioned synchronous space platform proposed for another of your programs; and the cut-back/stretchout of the MOL program.

I want to reassure you concerning the continuity of our earlier commitment for the 612 Program, particularly, the phaseover of the resource developed on Program 206. This resource reflects a large past investment on the part of both General Electric and the Air Force and, due to the similarity in missions and technology, is ideally matched to the requirements of the 612 Program.

In light of the rapid termination of Program 206, coupled with the MOL stretchout, a completely adequate division resource already exists in terms of qualified people and facilities to handle the 612 Program and the synchronous space platform activity. The latter project, as you know, is planned for the Spacecraft Department which has done such an outstanding job on the Nimbus program, and which has not had a new hardware program in several years. They are a completely separate organization and facility from Katzen's 206 team.

Approximately 1000 people remain today in our Special Military Space Project under Jack Katzen's leadership completing our 206 related commitments for SAFSP and sustaining the team which developed all of our earlier work on 612. This available resource can be molded today into the specific management configuration best suited to the Government's requirements in carrying out the 612 Program.

Sincerely,

H. W. Paige

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Action Memo file

PROA 6 a.

~~TOP SECRET~~

HANDLE VIA
BYEMAN
CONTROL SYSTEM
~~CORONA~~
~~HEXAGON~~

~~IST~~ NATIONAL RECONNAISSANCE OFFICE
WASHINGTON, D.C.

OFFICE OF THE DIRECTOR

May 19, 1967

ACTION MEMORANDUM NO. 12

SUBJECT: CORONA/HEXAGON Operations

The on-going CORONA system and the programmed introduction of the HEXAGON system, coupled with the increasing scope and sophistication of other NRP systems, necessitates the establishment of a centralized control of the definition, specification, recommended programming, and technical direction of the software for mission planning and evaluation. To minimize the redundant efforts and to make maximum use of the limited talent available I have established a CORONA/HEXAGON operational software coordination group with the Director of Satellite Operations Center, NRO Staff, to provide the chairman.

This group is directed to accomplish the following functions:

a. Define the CORONA/HEXAGON software requirements for the pre-mission and on-orbit planning, and the mission evaluation functions. This includes the definition of the mandatory SOC interfaces with other organizations. It does not include such functions as software requirements for vehicle command and control and other software such as the STC.

b. Determine the funding necessary to implement the requirements.

c. Recommend the organizational responsibilities for the software acquisition and funding.

d. Provide the Technical Direction for the acquisition, development, and operational employment of this software.

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~~CORONA HEXAGON~~

e. Provide the planning and recommend improvements, modifications, and updating as required.

The SOC will chair the group composed of your representatives to accomplish this vital task. The SOC will contact you for the names of your representatives who must be BYEMAN-cleared and knowledgeable of the CORONA/HEXAGON systems and support interfaces. I desire that the definition of the CORONA/HEXAGON software requirements and funding and the recommendation for procurement be forwarded by 1 September 1967.

James Q. Reber for
Alexander H. Flax

Distribution:
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