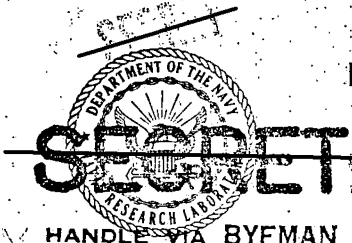


under control



NAVAL RESEARCH LABORATORY

[Redacted] WASHINGTON, D.C. 20375

IN REPLY REFER TO:
7030-58:RM:s1
BYE-55,372-74
26 April 1974

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MEMORANDUM

From: Director, Naval Research Laboratory
To: Project Officer, Systems Project Office, PME-106-5

Subj: POPPY [Redacted] Financial Program and Budget Plans

- Ref:
- (a) SPO Letter, PME-106-511, BYE-55, 347-74, 15 March 1974
 - (b) Space Task PME-106-43-058C-4X3519, 22 August 1973
 - (c) NRL Budget Letter 7030-44, BYE-55, 358-73, 26 April 1973
 - (d) NRL Space Segment Budget Letter, 7040-47:FWR, 21 May 1973

Encl: (1) [Redacted]

(2) [Redacted]

(3) [Redacted]

(4) [Redacted]

(5) [Redacted]

(6) POPPY Mission 7107 Financial Planning Guidance (FY 75 Through FY 76)

1. In accordance with the requirement for the annual budget preparation provided in references (a) and (b), enclosures (1) through (6) have been prepared and are submitted herewith. These enclosures form the NRL Baseline Financial Program and Budget Plan on [Redacted] the POPPY for the period of FY 75 through FY 80.

2. It must be pointed out that there has been a time lapse which has worked adversely relative to a smooth tracking

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EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY PARA 5 B(2) & (3)
AUTOMATICALLY DECLASSIFIED ON:
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1928--Fifty Years of Science for the Navy and the Nation--1978

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between Air Task/Space Task project requirements and budgetary submissions which have been requested from the Laboratory. The prior budget submittal, references (c) and (d), in April 1973, were largely a reflection of guidance in hand as provided in the Air Task of February 1973, and the Laboratory position as understood in correspondence to the SPO in November 1972 (Memorandum 7920-566 dated 9 November 1972). Additionally, the budget of April 1973 was earlier negotiated downward in discussion between NRL and the SPO as an assistance to the program office in staying within prescribed dollar levels. As an example, the guidance provided by NRL on encryption (NRL-BYE-55,352, dated 28 February 1973) emphasized the cost impact of this added element into the program in addition to the associated degree of risk that it entailed. Since the Space Task of August 1973 (reference (b)) followed the earlier budget submitted in April, it is obvious that a disconnect between the two could ensue, particularly with reference to out year funding such as the FY 75 budget now under consideration. Since we are now presently submitting a FY 75 budget we again suffer from the deficiency of not having in hand the Space Task for FY 75 and out years, and to this extent the current budget submittal is uncertain. We would accordingly request that this present budget be considered conditional subject to a detailed examination of the requirements of the forthcoming FY 75 Space Task. The present budget is based on the FY 74 Space Task and the best Laboratory judgment as to the content of the forthcoming FY 75 Space Task. Included, therefore, are items for consideration in the present submittal which are costed-out for possible inclusion in the FY 75 and out-year program (such as those cited in Enclosure (2) part (B)). In the preparation of this document there have been certain basic assumptions used which are provided below for clarification and for emphasis. Additional explanatory detail will be available as required through informal or written exchanges with the SPO.

3. Consistent with the guidance of reference (a), the cost figures of these enclosures are all based on estimated FY 75 dollars and on current knowledge of the component and hardware market. It is clear that these budgetary estimates cannot accurately anticipate adjustments in the inflation rate. This is an item of considerable concern shared jointly with the SPO. The dramatic inflation in the last year

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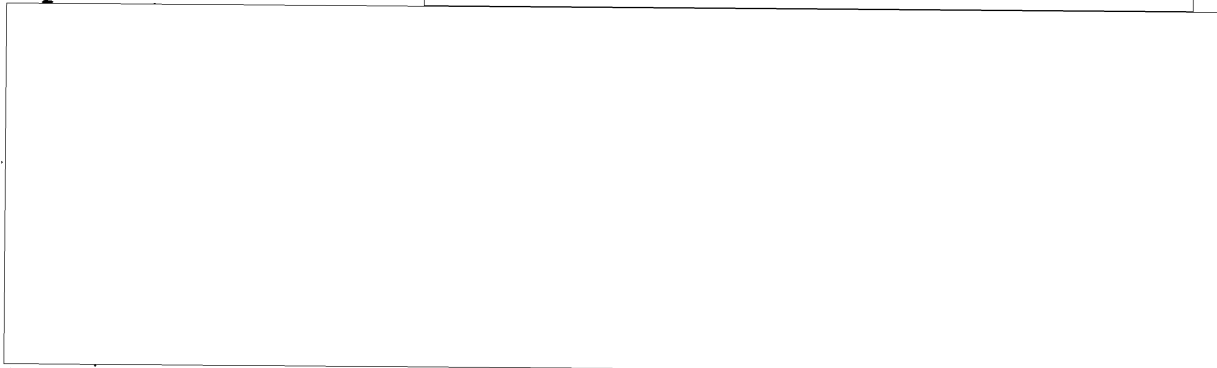
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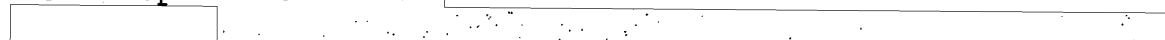
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26 April 1974~~EARPOP~~~~SECRET~~ - HANDLE VIA BYEMAN CONTROL SYSTEM ONLY

exemplifies this problem. We have attempted to quantify this factor relative to the present estimate for FY 75 (see enclosure (2)), and it represents a significant fraction of the total cost difference from that provided earlier. It should be noted that guidance to NRL required that the FY 75 estimate provided in April 1973 reflect 1974 dollars, as contrasted with a true extrapolation. In a similar manner, the concern expressed relative to the availability of components, parts, and materials remains a serious potential obstacle in attaining schedule objectives. The NRL and the SPO are in very good communication relative to this problem.

4. By reference (a) the SPO requested that budgets be prepared for three (3) program options. The budget for Option I is based on



5. The POPPY Financial Program for FY 75 and the Budget for FY 76 is given in enclosure (6). It closely duplicates the information provided to the SPO in the Budget Review held on 5 April 1974. However, in accord with latest guidance, the FY 76 cost estimates do not include transferring the POPPY operations from



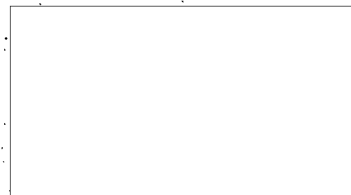
6. Enclosure (2) provides the difference between the FY 75 Financial Program, relative to the Budget submission of last year. We have attempted to quantify in part A differences attributable to inflationary increases (both salaries and procurements), deferred funded items, changed scope in the program, and underestimated requirements. Additionally, in part B we cite proposed new work as options for support in FY 75 which have not been previously budgeted. The fact that the above items do exist are consistent with a highly developmental program.

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26 April 1974~~EARPOP~~~~SECRET~~ HANDLE VIA BYEMAN CONTROL SYSTEM ONLY

7. The present budget submission reflects several items which should be highlighted since they are of critical significance in meeting the overall program objectives. (A) The FY 76 estimate includes an amount of \$1100K to exploit experience and knowledge gained during the development and flight of the prototype system for inclusion into the follow-on program. This estimate can only be considered approximate at the present time, and will need further update as the program progresses. (B) This budget submittal includes the added responsibility for systems engineering and integration for 01 and 02 which has been conferred on the Laboratory at the direction of the SPO. This item as reflected in the budget has been considerably widened in accord with the FY 74 Space Task, reference (b) and communication with the SPO. (C) Included in the present budget estimate are nominal amounts for Laboratory support of the SPO during the projected This support has not yet been negotiated, however, is likely to include technical support in the spacecraft, payload and ground station segments of the program with SE/SI and on-orbit responsibilities. Accordingly, final cost estimates for this category of support will need to be re-evaluated as further definition is obtained. (D) Included in the present budget are estimates for a reasonable level of testing to define TEMPEST/RFI characteristics. Considerable care has been taken by NRL to eliminate such problems; however, budget estimates at present do not include engineering redesign and/or equipment modification as may result from an interpretation of the testing. The Laboratory has expressed concern previously, and reemphasizes this concern, relative to TEMPEST/RFI characteristics of the computer hardware.

8. It is anticipated that changes to this Budget may be necessary as the Space Task for FY 75 is developed and/or final decision and further definition of the Development Options (I, II, or III) is made. NRL will provide additional details and support as required relative to this Financial Plan for FY 75 and Budget Planning Guidance for FY 76 through FY 80.

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26 April 1974

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POPPY 7107 FINANCIAL PLANNING GUIDANCE

(FY 75 THRU 76)

Encl (6) to 7030-58:RM:sl
BYE-55,372-74
26 April 1974

Page 1 of 3 pages
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ADVANCED PROJECTS OFFICE
POPPY 7107 FINANCIAL PLANNING GUIDANCE (FY 75 THRU 76)
(\$000 FY 75 DOLLARS)

Line Item	FY 75	FY 76
I.B. Salaries & Overhead	437.0	347.0
I.C. Miscellaneous (Misc. Matls., Travel, Shipping)	469.0	236.0
II.A. Current Systems (Replacement & Systems Major Procurements)	250.0	125.0
III.A. Contractor Services	760.0	385.0
TOTALS	1916.0	1093.0

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ADVANCED PROJECTS OFFICE

POPPY 7107 FINANCIAL PLANNING GUIDANCE (FY 75 THRU 77)

(\$000 FY 75 DOLLARS)

I.B.	Salaries & Overhead			
1.	Salaried Personnel:			
	a. Logistic Support	3.3 MY		
	b. Engrg. Support	<u>6.7 MY</u>		
	(Incl. 1/4 MY Trans)	10.0 MY @ \$40K/YR	400.0	
2.	Per diem Personnel:			
	a. Logistic Support	1.0 MY @ \$37.0 K/MY	<u>37.0</u>	437.0
I.C.	Miscellaneous (Misc. Materials, Travel, Shipping)			469.0
II.A.	Current Systems			
1.	O&M Major Procurements		200.0	
2.	Electronic Systems (Major Procurements)		<u>50.0</u>	250.0
III.A.	Contractor Services			
1.	Tech. Rep.		70.0	
2.	On-Call Maintenance:			
	a. HRB-Singer		30.0	
	b. SEL		20.0	
	c. Misc. (IBM, CDC, PMI, etc.)		<u>20.0</u>	70.0
3.	Training		30.0	
4.	On Orbit Support			
	a. Bendix		<u>590.0</u>	760.0
	FY 75 TOTAL			<u>1916.0</u>

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OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Code 9110

DATE: 7030-40:JR:sl
5 April 1974

FROM : Code 7030

SUBJECT: FY 75 SISS ZULU Budget; submission of

Ref : (a) SPO Memo PME-106-511:1mm, dated 15 March 1974

Encl : (1) FY 75 SISS ZULU Budget Requirements

1. In accordance with reference (a), enclosure (1) presents the FY 75 budget necessary to provide the required support to the SISS ZULU system.


REID D. MAYO, Manager
Advanced Projects Office

NA



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

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ADVANCED PROJECTS OFFICE
FY 75 SISS ZULU BUDGET REQUIREMENTS
(\$000 FY 75 DOLLARS)

	<u>Line Item</u>	<u>FY 75</u>
I.B.	Salaries & Overhead	437.0
I.C.	Miscellaneous (Misc. Matls., Travel, Shipping)	469.0
II.A.	Current Systems (Replacement & Systems Major Procurements)	250.0
III.A.	Contractor Services	760.0
	TOTALS	1916.0

Encl (1) to NRL Memo
7030:JR:sl
5 Apr 74

ADVANCED PROJECTS OFFICE

FY 75 LINE ITEM BREAKOUT

I.B. Salaries & Overhead

1. Salaried Personnel:

a. Logistic Support	3.0 MY St. Time + 0.3 MY Overtime	} 10.0 MY @ = 400.0 40.0 K/MY		
b. Engrg. Support (Incl. 1/4 MY Trans)	6.0 MY St. Time + 0.7 MY Overtime			

2. Per diem Personnel:

a. Logistic Support	1.0 MY St. Time @ \$37.0 K/MY		<u>37.0</u>	437.0
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I.C. Miscellaneous (Misc. Materials, Travel, Shipping)

469.0

II.A. Current Systems

1. O&M Major Procurements			200.0	
2. Electronic Systems Major Procurements			<u>50.0</u>	250.0

III.A. Contractor Services

1. Tech. Rep.				70.0
2. On-Call Maintenance:				
a. HRB-Singer		30.0		
b. SEL		20.0		
c. Misc. (IBM, CDC, PMI, etc.)		<u>20.0</u>		70.0
3. Training				30.0
4. On Orbit Support				
a. Bendix			590.0	760.0

FY 75 TOTAL

1916.0

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