

CONTROL SYSTEM

~~1ST~~ NATIONAL RECONNAISSANCE OFFICE  
WASHINGTON, D.C.

OFFICE OF THE DIRECTOR

17 December 1970

~~MEMORANDUM FOR DIRECTOR, PROGRAM C~~

SUBJECT: Program C 7107 Budgetary Status

REFERENCE: Your memorandum, subject as above, dated  
5 November 1970 (BYE-66449-70)

The increased costs of the POPPY project identified in the referenced document are exceedingly difficult to defray. Reasons for the additional costs in some instances are obvious; however, there appears to be a need for more stringent management and fiscal control. I recommend you place immediate emphasis on corrective procedures to reverse the present trend of increased cost growth.

*John L. McLucas*  
John L. McLucas

Attachment  
Fiscal Status - Program C

Cy 1A  
B-170-70

## FISCAL STATUS - PROGRAM C

I. Naval Research Laboratory.

I am concerned about the FY 1971 NRL Salaries and Overhead and Miscellaneous Material and Travel Accounts, which were respectively submitted at 25.5 percent and 30.6 percent above FY 1970 actual costs, and request that your office submit reasons for these increases. While pay raises and travel rate increases would account for a fraction of this increase, it appears that personnel increases and/or significant overtime must be involved, either being difficult to understand in relation to the present program.

II. General Cost Growth.

Concern must also be expressed about the basic POPPY general cost growth. Your request for FY 1971 equates to a 22 percent increase over FY 1970 obligations, which were in turn higher than the President's Budget. It is evident that the type of FY 1971 deficiencies will result in FY 1972 financial program requests \$2 to \$3 million above the budget. While there are obvious reasons for some of these increases, it is also readily apparent that the POPPY cost per launch is increasing at a rate which could generate a future cost vs value question. Accordingly, I request your assistance in management improvements.

III. FY 1971 POPPY Approvals.

The FY 1971 POPPY approvals are hereby increased as follows (Thousand Dollars):

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APPLY

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Mission 7107.

## Payload:

Elect. Equipment	\$ 824.6
Stabilization Systems	272.0
Power Systems	126.9
Control Systems	231.2
Mech. Struct. & Fab.	9.8
NRL Salaries and Overhead	89.5
Misc. Mat., Travel and Shipment	68.0
Subtotal	\$1,622.0

## Ground Station:

Electronics Equipment	\$ 182.0
Antenna Systems	22.7
NRL Salaries and Overhead	30.0
Misc. Mat., Travel and Shipment	34.2
A- to-D Systems	0 (325.6)
Subtotal	\$ 268.9

## Services:

Operational Field Assistance	\$ 70.0
Computer Services	65.0
Subtotal	\$ 135.0

## Total Increase

\$2,025.9 (2351.5)

These increases are consistent with the Table I - Basic 7107 Cost Increase column of the reference, with the exception of the Ground Station A-to - D Systems. The [redacted] has been deferred for FY 1972 funding consideration, by agreement with NRL personnel. Development of advanced PDE with PRF Selection item has been deferred from FY 1971 funding consideration at NSA request and is considered to be an appropriate NSA funding charge in any event.

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While these increases are consistent with your Basic 7107 Cost Increase column, these increases and the initial approvals aggregate in some cases less than the New Estimate (No R&D) column of the same table. This is caused by: (1) the cost submissions were predicated on a 16-month basis, rather than the 12 months in FY 1971, and merely added cost increases to an original estimate that should have changed in some respects, and (2) FY 1970 adjustments in last four months actual costs vs predicted, which should have also resulted in FY 1971 changes. In the future, it is necessary that any fund adjustment requests specifically identify changes to current year DNRO approvals (12 months), and any prior year related changes, with a complete re-examination of all line item requirements.

The proposed R&D payload for 7107 was disapproved by WHIG 0988.

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## I- Introduction:

- a-First Report will tell How often and for what purpose MSR prepared.
- b-Navy Emphasis and change in management structure, influence anticipated
- c-Format will develop during the first few reports as will the
- d-Historic(summary) data-base relative to costs.
- e-PERT Method Schedule "Balloon" type charts will be developed

Certain of the Critical areas relative to schedule will be identified and alternatives toward their solution presented.

- f-Prediction for the next month will also be made

## II- Current Cost Report:

- a-Copy of October 31, 1970 Summary JOSR
  - 1- 5614 (5660) supplement with narrative.
  - 2- 5170 supplement with narrative.
    - A- Major Procurements for Oct.
    - B- Payload
      - Ground Station
      - Facilities
      - Contractual Services
- b- Augmentation-Fund Report. Costs for October
  - A- Second Generation Computer Technical Progress for Nov.???
  - B- PDE

III- *Schedule, Critical elements & Alternatives.*

## IV- Technical Program

- 1- Spacecraft systems
  - A-ELINT sub-systems (Requires Xmtr, [REDACTED]).
  - B-Command System
  - C-
  - D-
- 2- Ground Station.....Antenna & Pre-Amp systems
  - A-RS-1A system
  - B- Analog Recording System
  - C- A/DDS
  - D- Buffered(Digital)Tape System(BTS)
  - E- Computer Processing systems.
  - F- Interrogation systems
  - G- Quality Control (Manual Analysis) Systems.
- 3- [REDACTED]
  - A- Facility
    - 1- Physical Security
  - B- Electronic Systems, Readiness report.
    - 1- Development/Evaluation efforts.
    - C- Operations relative to Program "C".
      - 1- Thrusting

## V- Operational Program Report:

- 1- Deployments
- 2- Software system
- 3- Hardware System
- 4- Overseas Travel
- 5- ELINT Results
- 6- Payload Status

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REVIEW OF NOTES FROM [REDACTED] LY STATUS REPORT BRIEFING GIVEN 14 Dec.

Mayo:

Historic summary in Funds Received given.. [REDACTED] suggested that it be supplemented with another curve of Funds Obligated over the same period so that CARRYOVER would show as well as Deficiencies.

Manpower Summary shown with suggestions for giving distinctive symbols to identify the Curves and show the Linear Extrapolation by straight line connecting the two end points. Explanations for departures would be important either to adjust the predictions for the year or the rate of manpower expenditure.

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