

SL-Read



13 April 1966

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Dear Harry:

Following receipt of your letter of 23 March, I requested that the NAVMOL office prepare the funding estimates you need for your fiscal submission to OSD in May. The attached enclosure represents our best estimate of the funding required to complete the Navy's MOL project. These funding estimates do not include the vehicle, booster and integration, or launch costs which you requested. Discussions between NAVMOL and SSD/Aerospace are under way now which will define these costs, and this funding information will be provided to you prior to 1 May.

When our MOL project briefings commence in June, I would be very pleased to have you and any of your staff attend these dry runs. I think this would definitely be to our mutual benefit and I will advise you of the time and place of the briefings when this information becomes firm.

In connection with your submission to OSD, if I can be of any help to you with regard to the Navy's effort please call on me at any time.


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SAF-SL-66-066 #2

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I want to express my sincere appreciation for your personal interest in the Navy MOL project. I'm sure that a military capability to perform ocean surface ship surveillance by a satellite would indeed be a significant step forward in support of Naval operations.

Sincerely,

  
Harold G. Bowen, Jr.  
Rear Admiral, USN  
Deputy Chief of Naval  
Operations (Development)

Brigadier General Harry L. Evans, USAF  
Vice Director, MOL Program  
Pentagon  
Washington, D.C. 20330

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ESTIMATED COST BY FISCAL YEAR

	<u>64-65</u>	<u>67</u>	<u>68</u>	<u>69</u>	<u>70</u>	<u>71</u>	<u>TOTAL</u>
GOVERNMENT	1.7	.7	.9	1.0	.9	.7	5.9
INDUSTRY	1.0	2.9	14.7	17.8	19.9	14.9	71.2
TOTAL	2.7	3.6	15.6	18.8	20.8	15.6	77.1

1ST QTR	.5*	3.2***					
2ND QTR	1.3	4.1					
3RD QTR	1.3	4.1					
4TH QTR	.5	4.2					
	3.6	15.6					

Fixed New Obligational Authority of 3.0

Fixed New Obligational Authority of 67.3

24 March 65

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ESTIMATED COST BY SENSOR BY FY  
(In Millions of Dollars)

ELEMENT OF COST	<u>67</u>	<u>68</u>	<u>69</u>	<u>70</u>	<u>71</u>	<u>TOTAL</u>
Systems Engineering	1.0	1.1	2.3	2.7	2.9	12.6
Radar	1.0	0.1	10.1	11.7	0.3	39.2
Photo-Optics	.2	1.1	1.3	1.5	1.1	5.2
IR	.2	.5	.4	.1	.1	1.3
ASB	.3	2.0	2.5	2.8	2.1	9.7
Follow-up Support	.1	.7	.0	.9	.7	3.2
Gov't In-Mouse Effort	<u>1.7</u>	<u>.7</u>	<u>1.0</u>	<u>.9</u>	<u>.7</u>	<u>5.0</u>
	2.7	15.6	18.8	20.8	15.6	77.1

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Estimated Cost  
Contract Definition

1. D/L	148	X	4	X	173	= 102,416 Hours @ \$6.50/Hr = \$665,704	
Contract Direct Labor	Men		Mo		Hrs/Mo		
2. Burden @ 105% of D/L							\$698,989
3. Material @ 4% of D/L							26,628
4. Travel @ 2% of D/L							13,314
5. Consultants @ 4%							26,628
6. Subcontracts @ 20%							<u>133,141</u>
7. Total Direct Cost & Burden							1,564,404
8. General & Administrative @ 10% of 1-5							<u>143,126</u>
9. Total Estimated Cost							1,707,530
10. Profit @ 10%							<u>170,753</u>
11. Total Estimated Cost & Profit							1,878,283
12. Sustain @ 25% D/L for 2 mos @ Adjusted %'s							<u>214,290</u>
13. Total Estimated Cost & Profit, Cont. Def.							2,092,573
14. Govt Personnel							600,000
15. CCE/TJ							<u>800,000</u>
16. Total Estimated Contract Definition							3,492,573
Say							<u>3,500,000</u>

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Estimated Cost  
Engineering Development

(In Millions of Dollars)

1. D/L 400 X 4 X 2000 = 3,660,800 Hours X \$5.90/Hr =	\$21.6
Men      Yrs      Hours/Yr	
2. Burden @ 105%	22.7
3. Material @ 6% of D/L	1.3
4. Special Testing @ 2%	.4
5. Special Equipment @ 2%	.4
6. Travel @ 4%	.9
7. Consultants @ 1%	.2
8. Subcontractor @ 25%	5.4
9. Other Direct Costs @ 2%	.4
10. Total Direct Cost & Burden	53.3
11. GM @ 9.5% of Items 1-7,9	4.6
12. Total Estimated Cost	57.9
13. Profit @ 8.7%	5.0
14. Total Estimated Cost & Profit	62.9
15. Govt Personnel	3.5
16. CR/IS	3.4
17. Support to NRE by Industry	1.0
18. Total Estimated Engineering Development	<u>70.8</u>

Approved by: \_\_\_\_\_

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Civilian  
Direct  
Manpower (Estimated)

FC	67	68	69	70	71
<b>Govt:</b>					
ARMED	16	16	16	16	16
UNARMED	13	12	19	14	7
<b>Total Government</b>	<u>29</u>	<u>28</u>	<u>35</u>	<u>30</u>	<u>23</u>
<b>Industry</b>					
Contract Definition <sup>⊙</sup>	15	15	15	15	15
Engineering Development <sup>⊙</sup>	143	350	550	550	310
<b>Total Industry</b>	<u>163</u>	<u>365</u>	<u>565</u>	<u>565</u>	<u>325</u>
<b>Total Civilian Direct</b>	<u>192</u>	<u>400</u>	<u>600</u>	<u>595</u>	<u>348</u>

Engineers  
Technicians

3	6	6	4	2
<u>10</u>	<u>13</u>	<u>13</u>	<u>10</u>	<u>5</u>

Contract  
Definition<sup>⊙</sup>

Engineering  
Development<sup>⊙</sup>

Systems Engineering	36	44
Radio	73	250
Photo/Optics	15	50
Follow-up support	4	46
AM	<u>20</u>	<u>50</u>
	<u>143</u>	<u>440</u>

⊙ Average for Program