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DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

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OFFICE OF THE SECRETARY

JUN 5 1967

MEMORANDUM FOR THE SECRETARY OF THE AIR FORCE

SUBJECT: Manned Orbiting Laboratory Monthly Status
Report

The attached Status Report on the Manned Orbiting
Laboratory (MOL) Program covers activities through
May 31, 1967 and is submitted in accordance with the
May 15, 1967 memorandum from the Office of the Secretary.

page 13

James T. Stewart
JAMES T. STEWART
Major General, USAF
Vice Director, MOL Program

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a/s

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I. PROBLEM

FY 1968 Funds

The present MOL Engineering Development Phase program is based upon availability of \$480 million (NOA) in FY 1968. This planning assumes that some \$50 million will be reprogrammed from Air Force sources to augment the \$430 million presently proposed in the DOD Appropriation Bill for FY 1968. ODDR&E has indicated in informal discussions that some tangible evidence of Air Force intent to reprogram these funds is desirable. The MOL Program Office therefore has proposed that a formal requirement for approximately \$445 million be identified in the FY 1968 apportionment request, along with a statement of intent to reprogram additional funds (up to a total NOA of \$480 million) later in the year.

II. CHANGE PAST MONTH

A. MOL Program Management Realignment

A major reorientation of management responsibilities, functions, and organizational relationships between the Director, MOL and the Director, Special Projects, for the Engineering Development Phase of the MOL Program is in progress.

Under this realignment, effective July 1, 1967, the Director, MOL will become responsible to the Secretary of the Air Force and the Director, National Reconnaissance Office (DNRO) for the development, acquisition and test of the total MOL system in the approved baseline program, including the DORIAN payload. To accommodate the realignment of procurement functions, the Deputy Chief of Staff, Procurement and Production, Headquarters, Air Force Systems Command will be assigned additional duties as Assistant Director, MOL (Procurement); his authorities will be broadened to encompass covert DORIAN contracting. Systems Engineering/Technical Direction and Contract Management responsibilities for the DORIAN contracts with Eastman Kodak, General Electric and Douglas will transfer to the MOL Systems Office in parallel with the transfer of procurement responsibilities.

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B. Congressional

Several questions on MOL funding and schedule were posed by Senator Russell for inclusion in the record of the Joint Senate Armed Services Committee and Defense Appropriations Subcommittee. Answers to these questions were prepared and submitted to General Crow.

On May 3, General Stewart gave a DORIAN briefing to Chairman Mahon, Congressman Lipscomb, and Staff Members Preston and Michaels of the DOD Subcommittee of the House Committee on Appropriations. In response to a request from Messrs Mahon and Lipscomb, a talking paper on development of an "Unmanned MOL" was prepared and forwarded through General Crow.

Information on the signing of the Douglas and McDonnell contracts was released by DOD on May 19. The General Electric contract award was announced by DOD on May 29. In all three cases, SAFSL determined that formal Congressional notification was not required.

C. MOL Program Contracts

On May 17, the Air Force awarded a definitized FPIF contract, with a target price of \$674,703,744, to Douglas for MOL white Engineering Development Phase effort. Distribution of the Douglas "black" contract, valued at approximately \$13 million, has been delayed pending final approval of the management realignment now in progress. The announced contract figure does not include the estimated cost of the recent one-year schedule slip, or the cost of certain deferred items which remain to be definitized. The estimated total cost of the Douglas MOL effort is \$828.7 million.

On May 18, the Air Force awarded a definitized FPIF contract, with a target price of \$180.469,000, to McDonnell for engineering development of the Gemini B segment of the MOL System. This figure does not include the estimated cost of the recent schedule stretchout or deferrals. Total estimated cost of the McDonnell MOL effort is \$261 million.

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On May 29, the Air Force awarded a CPIF contract, with a target price of \$110,020,000, to General Electric for white MOL Phase II effort. Distribution of a related black contract for approximately \$60 million awaits final approval of the current management realignment. These figures do not include the estimated cost of the recent schedule adjustment or the value of certain deferred items. Total estimated price of the GE MOL effort is \$339.5 million.

D. MOL Astronaut Selection

The MOL Astronaut Selection Board met on May 11-12 to consider eight (8) additional candidates. The Board recommended selection of four officers:

Major James A. Abrahamson FR54254
Lt Colonel Robert T. Hewes FR26091
Captain Robert H. Lawrence, Jr. FR58024
Major Donald H. Peterson FR27376

After formal notification to the Chief of Staff of the results of the selection, arrangements will be made by SAFOI with OASD(PA) and other interested government agencies for a suitable public announcement. Identity of the selectees is being treated as sensitive information until such time as a public release is made.

E. May MOL Management Meeting

The monthly Management Meeting was held at the Pentagon on May 11. Principal agenda item was a review of schedule/funding options for the Engineering Development Phase of the Program.

A decision was reached, after a meeting between Dr. Brown, Dr. Flax and General Stewart on May 12, to proceed on a schedule pointing toward a first manned reconnaissance flight in December, 1970, against FY 1968/1969 budget constraints of \$480/\$661 million. It was also agreed that the Phase II contracts and appropriate supplements should be signed and distributed as soon as possible.

A copy of the meeting record is appended as Attachment 1.

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III. CURRENT STATUS

A. Funds

Funds in the amount of \$58,446 million were released by DDR&E during May to the MOL Program. A total of \$228.446 million NOA was programmed for MOL in FY 1967; this total has now been received by the Air Force. The entire \$58,446 million, plus \$7.0 million previously retained by the Director, MOL, were released to MOL operating activities during May. With this action, all funds received have been issued to fund program requirements through June 30, 1967. It is anticipated that all funds will be obligated by mid-June.

B. Cost Planning and Control System

Direction has been received from SAFFM that the validation of the Douglas Cost/Schedule Planning and Control System (C/SPCS) will be accomplished under the leadership of a Headquarters, Air Force Systems Command, team with participation of the MOL Systems Office. The Systems Command lead in the MOL C/SPCS validation exercise should simplify future demonstrations on other Douglas contracts and assure Air Force-wide uniformity in implementing C/SPCS. The Vice Director, MOL, has advised SAFFM that there is no objection to the AFSC lead; arrangements are underway between the MOL Systems Office and the appropriate Systems Command personnel.

IV. FORECAST FOR FUTURE

A. MOL Executive Council Meeting

The initial meeting of the MOL Executive Council, an executive-level advisory body made up of senior Air Force and Industry MOL managers, is scheduled for Wednesday, June 7, 1967. The meeting will convene at 9:30 A.M. at Headquarters Air Force Systems Command, Andrews AFB.

B. Update of Program Plan

Arrangements have been made to prepare an updated "Program Plan and Funding Requirements" document to be transmitted by SAF to DDR&E prior to the FY 1968 apportionment.

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A group made up of personnel from both the East and West Coast MOL Offices will initiate this effort on June 1, submit the document for Director, MOL review and approval not later than June 9, and have the document ready for SAF review, approval and forwarding to DDR&E by June 15.

C. MOL Management Meeting

The next meeting is tentatively planned for the week of June 26, and will convene in Los Angeles. A firm date and meeting agenda will be established about June 15.

D. MOL Policy Committee Meeting

The MOL Policy Committee will meet at 2:30 P. M. on Thursday, June 1, to review MOL progress and plans, and to consider the MOL management realignment now in progress.

V. DUE DATE FOR NEXT PROGRESS REPORT

The next monthly MOL Progress Report will be submitted July 10, 1967.

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