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DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330



OFFICE OF THE SECRETARY



OCT 9 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 September 30, 1967 and is submitted in accordance with the September 15, 1967 memorandum from the Office of the Secretary.

J Stewart
fed
JAMES FERGUSON
General, USAF
Director, MOL Program

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I. PROBLEM

In the Draft Presidential Memorandum issued in September, the MOL FY 69 NOA requirements are reflected at \$640 million (\$680 million was requested). It is difficult to predict, at this point in time, the precise expenditures in FY 69 and, therefore, the possible impact of this reduction. An initial assessment is that if the program is adequately funded in FY 68, the Systems Office should be able to manage around a potential 6% deficit in FY 69.

Of more immediate concern is FY 68 financing. The program presently is funded at the \$440 million FY 68 NOA level, but is proceeding at a pace which the Program and Systems Offices believe will require \$480 million NOA. The option is available, however, at least through October, to "bend" the program over to the \$440 million level without undue chaos, should that become necessary.

Detailed financial analyses of actual and forecast expenditures and FY 68 NOA requirements, the impact of a \$440 million level funding, etc., will be conducted in October. The situation will be assessed then and an appropriate course of action recommended.

II. CHANGE PAST MONTH

A. Secretary of Defense Visit

The visit by the Secretary of Defense to the Eastman Kodak Company was completed as scheduled on September 14, 1967. Members of the Secretary's party included Dr. Brown, Dr. Foster, Dr. Flax and Mr. Fink.

B. Department of the Army Staff Briefing

The Vice Director, MOL, presented a DORIAN-level program briefing on September 12 to a group of Department of the Army officials including Deputy Assistant Secretary of the Army (R&D), Mr. C. L. Poor, and Chief of Research and Development, Lt. General A. W. Betts. The briefing covered current program status, schedules and progress in development of hardware items and facilities.

C. MOL Feeding System Source Selection

The Whirlpool Corporation, Life Support Division, St. Joseph Michigan has been selected to provide the crew diet development and the food packaging system for MOL. Following open solicitation for bids, the selection of contractor was by Source Selection Board.

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A two year firm fixed price contract was negotiated for \$192,000. A negotiated option to extend the contract an additional two years, at the election of the government, is included in the present contract.

D. MOL Program Review Council Meeting

The MOL Program Review Council met on September 29 at the Pentagon. Principals in attendance were Dr. Flax, General Ferguson, General Stewart, General Bleymaier, General Berg, General Martin, Dr. Leonard and Dr. Yarymovych. The results of this meeting are summarized in attachment 1.

E. General Accounting Office

In July 1967, MOL was advised of GAO's intent to "take a broad overview of the MOL Program." In consideration of the level of contractual effort in the Byeman System, security-related difficulties were envisioned. It was felt that it would serve no purpose to clear the GAO auditors because the problem went beyond clearances; the data and documentation derived in a GAO audit would have to be controlled under Byeman rules. In these circumstances, Mr. William Newman, Director of the Defense Division, GAO (previously cleared DORIAN) was approached. He agreed to allow the DCAA NRO Audit Group to collect information desired or required by GAO, and to appoint a GAO representative to review the information. On September 26, 1967, Mr. Harold Rubin of the GAO was briefed DORIAN for this purpose.

III. CURRENT STATUS

A. Funds

Of the \$120,000,000 (FY 68) released by DOD to MOL on July 1, \$116,400,000 had been further released to MOL operating activities as of September 30.

On September 26, a request for release of the remaining \$320,000,000 in deferred FY 68 MOL funds was forwarded to DDR&E. Dr. Flax' memorandum requesting the release noted that should the entire \$320,000,000 not be available, a minimum of \$130,000,000 to cover the second fiscal quarter would be required. ODDR&E advised the MOL Program Office on October 3 that \$130,000,000 has been released.

B. Congressional

On September 25, Mr. James Gehrig, Staff Director of the Senate Committee on Aeronautical and Space Sciences (Chairman Anderson), received an update MOL Program briefing. Mr. Gehrig suggested that

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the Chairman and other eligible Committee members should receive an update briefing early in January; he plans to talk with Senator Anderson about briefing arrangements. Mr. Gehrig also expressed interest in visiting Douglas, Vandenberg AFB, and Eastman Kodak sometime this fall.

IV. FORECAST FOR FUTURE

During the August 29 MOL briefings to PSAC, the Air Force was asked to investigate and report on Zero "G" test techniques, IVS resolution, and image intensification techniques. A report will be prepared for the PSAC on these subjects during October.

V. DUE DATE FOR NEXT PROGRESS REPORT

The next monthly MOL Program Progress Report will be submitted November 7, 1967.

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