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DEPARTMENT OF THE AIR FORCE
OFFICE OF THE SECRETARY

MEMORANDUM

31 March 1970

MEMORANDUM FOR DR. SEAMANS
DR. McLUCAS

SUBJECT: MOL Systems Office Termination

In his memorandum to you on December 23, 1969, General Ferguson recommended close out of the MOL Systems Office in Los Angeles on June 30, 1970, subject to timely accomplishment of MOL termination settlement actions (TAB A). General Ferguson has reviewed the termination efforts and now requests that the Systems Office closing date be extended to September 30, 1970 (ATCH 1). We are mindful of these actions and recommend signature of the letter at ATCH 2.

FREDERICK L. HOFMANN
Major, USAF
Asst Dep Dir Plans
and Policy
Office of Space Systems

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DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

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OFFICE OF THE SECRETARY

December 23, 1969

MEMORANDUM FOR DR. SEAMANS
DR. MCLUCAS/M.L.

SUBJECT: Manned Orbiting Laboratory (MOL) Program
Close-Out Status

Since the announcement of termination of the MOL Program some six months ago, very substantial progress has been made toward the settlement of the MOL Program contracts, the reduction and reassignment of military and civilian personnel, and the disposition of useful and usable program hardware and technology. This report reviews our past actions and current status, and recommends actions for the total cessation of MOL activities.

In his briefing to Dr. McLucas on July 18, 1969 General Bleymaier noted that the terminated contractors were asking for a total of \$137.4M in settlement costs. This figure has now been reduced to \$128M, and is expected to be reduced further. Therefore, the \$125M FY 70 appropriation for MOL is expected to satisfy all the government's MOL Program obligations, although we may require the return of some portion of the \$6.2M transferred to [redacted] for NRO use. The most recent reports from the Termination Contracting Officers at each of the MOL contractors reflects the following distribution of financial requirements.

	Estimate* June 10	Estimate* Sept 30
McDonnell Douglas (Huntington Beach)	\$ 48.7M	\$ 43.3M
McDonnell Douglas (St. Louis)	20.2	20.2
General Electric (Valley Forge)	27.6	27.4
Eastman Kodak (Rochester)	23.0	19.1
Martin Marietta (Denver)	6.9	6.9
Aerojet General (Sacramento)	1.6	2.0
UTC (Sunnyvale)	7.2	9.6
AC Electronics Division (Milwaukee)	1.2	.1
All Other	1.0	(.7)
Total	\$137.4M	\$127.9M

*Includes special termination costs.

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At the time of termination there were a total of 192 military and 100 civilians assigned to the East and West Coast MOL activities. By November 30 these numbers had been reduced to 10 military and 16 civilians. I will outline my recommendations for the phase out of these people and activities later in this correspondence.

The disposition of MOL hardware and technology is underway in accordance with the recommendations of the Ad Hoc Group on MOL Residuals. These were approved by you on September 29, 1969 and are described in Attachments 1 and 2. The only change to these actions is that the Mission Development Simulator disposition is being deferred until February 1, 1970 pending completion of a NASA sponsored study of the possible utilization and application of the MOL Acquisition and Tracking Scope hardware and technology.

Program documentation and correspondence is being screened by both the East and West Coast offices. Documentation and correspondence considered significant for reference and historical purposes is being retained and retired. Arrangements have been made for BYEMAN storage in the Pentagon and at SAFSP in Los Angeles.

In my view, we are moving towards the final MOL termination phase as rapidly as efficiency and legal requirements permit and, therefore, I suggest the following plan.

My MOL Program Office in the Pentagon should be formally closed out on February 15, 1970. The Office now consists of three Officers, one Airman and two Civilian secretaries. One of these Officers is retiring and will go on terminal leave on December 18, 1969; the remaining military personnel have already been identified against USAF/AFSC personnel requirements. The availability of the secretaries will be reported to OSAF civilian personnel for reassignment to positions commensurate with their skills, and so as to cause them a minimum of personal inconvenience.

Simultaneous with the close-out of the Program Office, I recommend that Brigadier General Lew Allen, SAFSS, be designated as the responsible point of contact for residual

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MOL activities. He will have available to him the services of Lt Colonel Robert Hermann, SAFOIPIA, and Lt Colonel Norbert Walecka, SAFFM. Both Officers were previously assigned to the MOL Program Office and are knowledgeable and outstandingly capable of handling those MOL public information/ Congressional and financial matters which may occur. In addition, many other Officers formerly assigned to the MOL Program and Systems Offices will be available in the Washington area for quite some time in the future. This arrangement has been discussed with General Allen who concurs.

I recommend also that the Systems Office in Los Angeles be scheduled for close-out on June 30, 1970. The military and civilian personnel remaining in the Systems Office are now in the process of completing their administrative tasks, and by March 31 administrative activities will be essentially complete; however, significant contractual and financial actions will continue for approximately the next 18 months until final contractual settlements are completed. By June 30, 1970, Systems Office personnel strength will be reduced to 10 people. The sustaining effort required until final settlement of the contracts will require the support of 6 to 8 procurement specialists. These individuals can be assigned to the SAMSO procurement activity with part of their time devoted to non-MOL duties as the situation permits. Following the close of the MOL Washington Program Office on February 15 General Higgins, AFSC, DCS/Procurement and Production will manage the contractual and fiscal details of the final termination activities supported by the specialists on the West Coast. These West Coast personnel can be released and reassigned to new duties in the subsequent 18 months as requirements permit. Every possible effort will be made to protect these people to insure that they are fully utilized and that they are given acceptable job opportunities at the completion of their MOL tasks.

By these arrangements, I have provided for the senior and most experienced people to be available to finalize the MOL contractual and financial settlement details. It is my intention, however, to re-examine this plan in the March-April time period to be sure that the close-out of the Systems Office on June 30 will not, in any way, delay or

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adversely affect termination settlement actions. If our termination settlement status is unsure, or if problems not now apparent should occur, then I will continue the activities of the Systems Office to some later date.

Attachment 3 will accomplish these actions and has been prepared for your signature.

To summarize briefly. We have made, and continue to make, satisfactory progress toward the total close-out of the MOL Program. The \$125.0M FY 70 NOA is expected to cover all contract settlement costs. Administrative actions, including retirement and storage of important program documentation, including BYEMAN material, are almost complete. Program personnel have been reduced from 292 people at the time of termination to a current level of 26 people, and will be reduced to 14 by January 1, 1970, and to 6 or 8 after June 30, 1970. No outstanding actions requiring an MOL office staff will remain after that date.

This report and its recommendations are for your review and comment. Should you desire to discuss any of the termination particulars in further detail, I or Colonel Ralph J. Ford who is my Assistant for MOL, at extension 50961 in the Pentagon, will meet with you at your convenience.



JAMES FERGUSON
General, USAF
Director, MOL Program

3 Atch
a/s

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DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE SYSTEMS COMMAND
ANDREWS AIR FORCE BASE, WASHINGTON, D.C. 20331



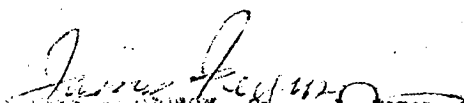
26 MAR 1970

MEMORANDUM FOR THE SECRETARY OF THE AIR FORCE

SUBJECT: Manned Orbiting Laboratory Systems Office

Your memorandum (Manned Orbiting Laboratory (MOL) Program, 8 Jan 1970) (Atch 1) directed that the MOL Systems Office located at the Space and Missile Systems Organization, Los Angeles Air Force Station, be terminated effective June 30, 1970. The date of June 30, 1970, was recommended to you by me in my classified memorandum, Subject: Manned Orbiting Laboratory (MOL) Program Closeout Status, dated December 23, 1969.

Since that recommendation, additional facts have become available on the rate of MOL property disposition. While the disposition is proceeding satisfactorily, we will not be as far along on June 30, 1970, as first estimated. For this reason, I feel it would be in the best interest of the Government to retain the MOL Systems Office as a functioning entity until September 30, 1970. Therefore I request you sign the attached memorandum (Atch 2) deferring the closing of the MOL Systems Office until that date.


JAMES H. FERGUSON, General, USAF
Commander

FORGING MILITARY SPACEPOWER



January 8, 1970

OFFICE OF THE SECRETARY

MEMORANDUM FOR ALL OSAF OFFICES
AFCCS

SUBJECT: Manned Orbiting Laboratory (MOL) Program

Effective February 15, 1970, the functions and activities of the Manned Orbiting Laboratory (MOL) Program Office, located in the Pentagon as part of the Office of the Secretary of the Air Force are terminated. The functions and activities of the MOL Systems Office located at the Space and Missile Systems Organization, Los Angeles Air Force Station, are to be terminated effective June 30, 1970.

Such residual MOL contractual matters as may require attention should be referred to the Air Force Systems Command DCS/Procurement and Production. All other MOL matters should be referred to the Secretary of the Air Force, Office of Space Systems, SAFSS for disposition.

This memorandum supersedes and rescinds SAF Memorandum for the Chief of Staff dated January 19, 1965 and SAF Order Number 117.4, dated September 1, 1966, subject "Director of the Manned Orbiting Laboratory (MOL) Program."

R. C. Sem. Tr.

DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330



OFFICE OF THE SECRETARY

APR 2 1970

MEMORANDUM FOR COMMANDER, AFSC

SUBJECT: Manned Orbiting Laboratory (MOL) Systems Office

You are authorized to defer the closing of the MOL Systems Office, Space and Missile Systems Organization, Los Angeles Air Force Station, as directed in my memorandum, Subject: Manned Orbiting Laboratory (MOL) Program, dated January 8, 1970, from June 30, 1970, until September 30, 1970.

A handwritten signature in cursive script, reading "John L. McLucas", is positioned above the typed name.

JOHN L. MC LUCAS
Acting Secretary of the Air Force