H15-B-12

21 NOV 1965

MEMORANDUM FOR DR. BROWN-

SUBJECT: Disposition of General Electric MSD as an MOL Contractor

Please refer to the attachments, which consist of two communications I have recently received from Brigadier General John A. Martin, Director, SAF Special Projects. Both address the subject "Unsatisfactory Performance by General Electric Missile and Space Division."

I have reviewed the attachments and note that General Martin has assessed GE (MSD) performance in Programs 201 and 206, and the GE (MSD) management structure for MOL, and has concluded that serious consideration should be given to discontinue the presently planned use of GE (MSD) in the MOL Program beyond present MOL Phase I activities.

I recognize that General Martin has proposed that Douglas and Eastman Kodak be assigned the technical work planned for GE (MSD) for Phase II. However, from my point of view, GE (MSD) activities extend beyond optical sensor areas and any consideration for restructuring the MOL contractor arrangements in Phase II must allow for this. The consequences of such a move on the MOL Program as a whole are sufficiently serious that I intend to conduct, immediately, a comprehensive investigation of the situation at GE (MSD) so that I may formulate my recommendations as to the most appropriate course of action.

Pending my investigation, I feel that any action to discontinue GE (MSD) should be deferred. I have no particular objection to General Martin's recommendation that contractual action at the level of \$175,000 be undertaken at Eastman Kodak to prepare specifications for Phase II should GE (MSD) be dropped. It appears,

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however, that this work would be essentially a duplication of GE (MSD)'s present Phase I work, which General Martin points out could be used for Phase II work done elsewhere. Hence, initiation of the work proposed at Eastman Kodak would seem unnecessary.

SIGNED

B. A. SCHRIEVER General, USAF Director, MOL Program

2 Atchs a/s

Copy to: Dr. Flax

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DEPARTMENT OF E AIR FORCE DIRECTORATE OF SPECIAL PROJECTS (OSAF) AF UNIT POST OFFICE, LOS ANGELES, CALIFORNIA 90045



sye-40329

REPLY TO

ATTN OF: SP-1

16 December 1965

SUBJECT: Correction of Erroneous Statement Concerning GE(MSD)

Performance on a Previous Project

to: Director, NRO (Dr. Flax)

Director, MOL (General Schriever)

Reference: My 15 November 1965 letter "Unsatisfactory Performance

by General Electric Missile and Space Division"

1. I have discovered that one statement in the second paragraph of the referenced letter is incorrect in respect to GE (MSD) performance on the terminated Program 201, and submit the correct information below.

- The error is contained in the parenthetical statement in the second sentence of paragraph 2, which reads "This summary rated GE(MSD) performance unsatisfactory on Program 201, which was terminated after five unsuccessful fights (where all controlling failures were caused by defects in GE(MSD) components)." The actual failure history of these five flights is:
- The first and third flights failed due to defects in the LMSC de-orbit system.
- b. The second flight had to be called down early because of excessive gas usage, due to defects in the LMSC stabilization system, but also encountered a catastrophic disabling of the reentry vehicle separation circuitry due to unsatisfactory hatch cut operation (a GE responsibility).
- The fourth and fifth flights failed because of defects in the GE reentry subsystem.
- 3. The corrected parenthetical statement should therefore read "(where three out of five of the controlling failures were caused by defects in GE components). "

4. I regret the error. However, the corrected data do not alter my conclusions outlined in the referenced letter.

JOHN L. MARTIN, JR

Brigadier General, USAF

Director

Copies to:

Gen Berg

Mr. Paige (GE)

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