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OCT 31 1968

MEMORANDUM FOR GENERAL BLEYMAIER

SUBJECT: Schedule and Funding Problems for MOL Secure Communications

Reference your memorandum, subject: Schedule and Funding Problems Associated with Acquisition of COMSEC Hardware, SCF Hardware and SCF Engineering Support for MOL, August 6, 1968.

In the referenced memorandum you were concerned with two problems; one, OSD deferral of programmed FY 69 funds necessary to provide hardware and contractor engineering support for MOL, and two, a continuing pattern of late deliveries of secure communications (COMSEC) hardware from the National Security Agency (NSA).

We have examined both problems and have obtained a measure of resolution for each as follows: First, the funding problem. The Air Staff has agreed to fund \$250K of 3080 monies for procurement of the engineering support for the design of the secure communications between OTEF and the SCF. This agreement is contingent on approval by OSD, of the FY 70 budget request for OTEF requirements. We agreed to this contingency because OSD deferral of the FY 70 OTEF funds, would create an entirely new and bigger problem of which the engineering support and design effort would be only a small part. However, within two weeks the FY 70 budget approval/disapproval should be forthcoming. If approved, and we believe it will be, the 3080 money will be forwarded to you. Because of the urgency associated with getting these funds, the Air Staff has agreed to have the SCF people initiate the needed paper work anticipating availability of funds within the next several weeks. My office will watch the development of this action and let you know immediately of any delay.

Second, the late delivery of Secure Communications Hardware problem: The pattern of late deliveries of secure communications (COMSEC) hardware from the NSA is a matter of continuing concern and meeting with appropriate personnel from the NSA lead me to believe that they are equally concerned about the problem and have identified and are attempting to resolve certain related internal management problems. The majority of these problems are not unlike many of our own; i.e., maintaining continuity of the support effort as the system definition was completed, and altered schedules for both technical and financial reasons, etc.

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DOD DIR. 5200.10 DOES NOT APPLY

We have made it clear to the NSA that, continuing late COMSEC equipment deliveries will seriously impact overall MOL schedule and financial resources. We have further stressed the need for appropriate management attention and concurred with their proposal for closer liaison to bridge the total MOL-COMSEC hardware effort. In this regard, I have asked Mr. Samuel H. Hubbard to assist your people in maintaining appropriate contact with the NSA and to attend to those matters which need attention here. Mr. Hubbard reports that direct and informal communications among appropriate members of your staff, Aerospace Corporation, MDAC, Lt Colonel Burt Lutz (SCF Organization), [REDACTED] and himself should resolve both the R&D and production problems before they become serious.

SIGNED

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

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