

DOCUMENT RESUME

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[Need for Full Cost Reporting and Participating Agreement on SEASAT-A Project]. PSAD-78-76; B-183134. June 19, 1976. 4 pp.

Report to Robert A. Frosch, Administrator, National Aeronautics and Space Administration; by Jerome H. Stclarow (for Richard W. Gutmann, Director, Procurement and Systems Acquisition Div.).

Issue Area: Science and Technology (2000); Federal Procurement of Goods and Services: Notifying the Congress of Status of Important Procurement Programs (1905).

Contact: Procurement and Systems Acquisition Div.

Budget Function: General Science, Space, and Technology: Space Science, Applications, and Technology (254).

Organization Concerned: National Oceanic and Atmospheric Administration.

Congressional Relevance: House Committee on Science and Technology; Senate Committee on Commerce, Science, and Transportation.

Two issues discussed in previous reports on the SEASAT-A Project continue to be of concern: (1) the need to report full project costs to the Congress; and (2) the need to develop a top-level agreement between the National Aeronautics and Space Administration (NASA) and the National Oceanic and Atmospheric Administration (NOAA) regarding project participation. Semiannual SEASAT-A reports show that NASA's cost estimates have increased from the \$58.2 million planning estimate to a current estimate of \$90.8 million. These estimates, however, do not include all project-related costs. The increases are attributed to Air Force revisions to launch-vehicle costs, higher-than-planned use of manpower by the prime contractor, cost growth of sensor development, and a strike by contractor personnel. NOAA is expected to be a primary user of SEASAT-A data, and there has been considerable coordination between NASA and NOAA. However, a formal agreement has not been signed even though it has been worked on for more than 2 years, and the satellite is to be launched in late June. The Administrator of NASA should include all NASA project-related costs in SEASAT-A project status reports, including costs for launch support, civil service salaries, and follow-on data analysis and operations. Costs incurred by Federal agencies to exploit the utilization of SEASAT-A data should be clearly identified and reported. (RRS)

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

PROCUREMENT AND SYSTEMS
ACQUISITION DIVISION

B-183134

June 19, 1978

The Honorable Robert A. Frosch
Administrator, National Aeronautics
and Space Administration

Dear Dr. Frosch:

The Chairman, Senate Subcommittee on HUD-Independent Agencies, Committee on Appropriations, requested that we review the SEASAT-A project. This is our third review of the project. Prior reports were "SEASAT Project" (PSAD-76-76, February 25, 1976) and "The SEASAT-A Project: Where It Stands Today" (PSAD-77-126, September 16, 1977).

Two issues discussed in our previous reports continue to concern us. The first issue is the need to report full project costs to the Congress. The second is the need to develop a top-level agreement between the National Aeronautics and Space Administration (NASA) and the National Oceanic and Atmospheric Administration (NOAA) regarding project participation. We have discussed these concerns with your staff and have included their relevant comments in the following sections.

Costs

NASA's semiannual project status reports provide the Congress with changes in the cost, schedule and performance status for major NASA projects. The SEASAT-A reports show that NASA's cost estimates have increased from the \$58.2 million planning estimate--through the \$74.7 million development estimate--to the current estimate of \$90.8 million. As discussed below, however, these estimates do not include all project-related costs.

In December 1973, NASA established a SEASAT-A project planning estimate of \$58.2 million. When NASA Headquarters approved the project in November 1974, this amount was confirmed as a cost ceiling. The estimate was low because it did not adequately provide for inflation or a payload that would satisfy the needs of all project data users. In

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July 1975, NASA established a development estimate of \$74.7 million. The increase provided an additional amount for inflation and increased the satellite sensor complement and performance capability.

NASA's January 1977 SEASAT-A project status report showed an \$80.5 million cost estimate and the January 1978 report showed a \$90.8 million cost estimate. These increases were attributed to Air Force revisions to launch vehicle costs, higher-than-planned use of manpower by the prime contractor, cost growth of sensor development, and a strike by the prime contractor's hourly personnel.

NASA's project cost estimates do not include all SEASAT-A costs. Other costs are launch support, tracking and data acquisition support and salaries paid to NASA project personnel. We did not attempt to identify and measure all of these costs, but as discussed in our report (PSAD-77-126), civil service costs alone are estimated at \$4.7 million. NASA officials do not include these costs in the project budget because they are " * * * of a relatively fixed nature which are not sensitive to the inclusion of the project in the NASA budget." They also state:

"Such costs are fully reported to the Congress in their proper places in the NASA appropriation structure and to report them as project-dependent, would give a misleading impression of their variability."

Additional NASA costs which are not included in the SEASAT-A project cost estimate are for follow-on data analysis and operations. First year operations are funded within the project. Subsequent operations will be shown as a separate budget line item. NASA informed the Subcommittee on Space Science and Applications, House Committee on Science and Technology, during hearings in July and August 1977 that the data analysis for SEASAT-A is expected to be funded at approximately \$3 million in fiscal year 1979 and \$3 million in fiscal year 1980.

In addition to NASA's costs, participating agencies are incurring costs to support their SEASAT-A activities. NOAA's March 1977 Program Development Plan for SEASAT-A outlines required resources of \$12.5 million to carry out NOAA's project participation. NASA informed the Subcommittee on Space Science and Applications, House Committee on Science and Technology, that DOD's project costs would be about \$4 million for each of fiscal years 1978, 1979, and 1980.

The cited costs amount to tens of millions of dollars and they are incurred to support the project and to exploit the utilization of SEASAT-A data. NASA's project status reports should contain total SEASAT-A costs for the Congress to be fully informed.

Accordingly, we recommend that you include all NASA project-related costs in the SEASAT-A project status reports, including costs for launch support, tracking and data acquisition support, civil service salaries, and follow-on data analysis and operations. Costs incurred by other Federal agencies to exploit the utilization of SEASAT-A data should also be clearly identified and reported.

NOAA participation and commitments

Because NASA views the SEASAT-A project as being dedicated to users of oceanographic data, it sought their involvement in early 1973 to assure that the data obtained by the satellite would be designed for them. NASA informed the Congress that user organizations would provide funding and scientific and technical personnel to make use of the satellite data. NOAA is expected to be a primary user of SEASAT-A data. There has been considerable coordination between NASA and NOAA; however, a formal agreement has not been signed even though it has been worked on for well over 2 years and the satellite is to be launched in late June.

NOAA has had difficulty in obtaining SEASAT-A funding from the Executive Branch and the Congress. A comparison of required funding--shown in NOAA's SEASAT-A Program Development Plan--and available funding is as follows:

NOAA SEASAT-A FUNDING

<u>Fiscal Year</u>	<u>Required</u> (000 omitted)	<u>Funding</u> <u>available</u>
77	\$1,096	\$ 470
78	3,970	2,470
79	3,970	a/2,270
80	3,524	

a/This amount was requested.

GAO has expressed concern during the past 2 years about (1) the absence of a formal agreement between NASA and NOAA

and (2) insufficient resources for NOAA's project participation. We have already stated that there should have been a top-level agreement prior to full-scale project initiation with NASA. We believe such an agreement would have assured that NOAA's participation was sufficiently funded to effectively utilize the satellite data.

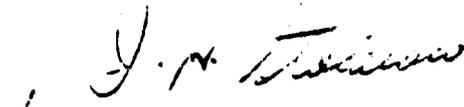
We recognize that actions of the Executive Branch and the Congress can negate interagency agreements concerning future years' funding. We believe, however, that top officials of participating agencies should be willing to make agreements to fully support their respective roles in multiagency projects.

Because NASA has development responsibility and has brought SEASAT-A this far, we recommend that you complete an agreement with NOAA to assure that the SEASAT-A data is effectively and efficiently utilized.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this letter to cognizant congressional committees, the Director, Office of Management and Budget, and the Administrator, NOAA.

Sincerely yours,


for R. W. Gutmann
Director