

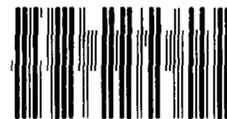
GAO

Briefing Report to the Honorable
Lawrence Coughlin
House of Representatives

June 1986

U.S. ANTISATELLITE PROGRAM

Responses to Questions on Program Funding

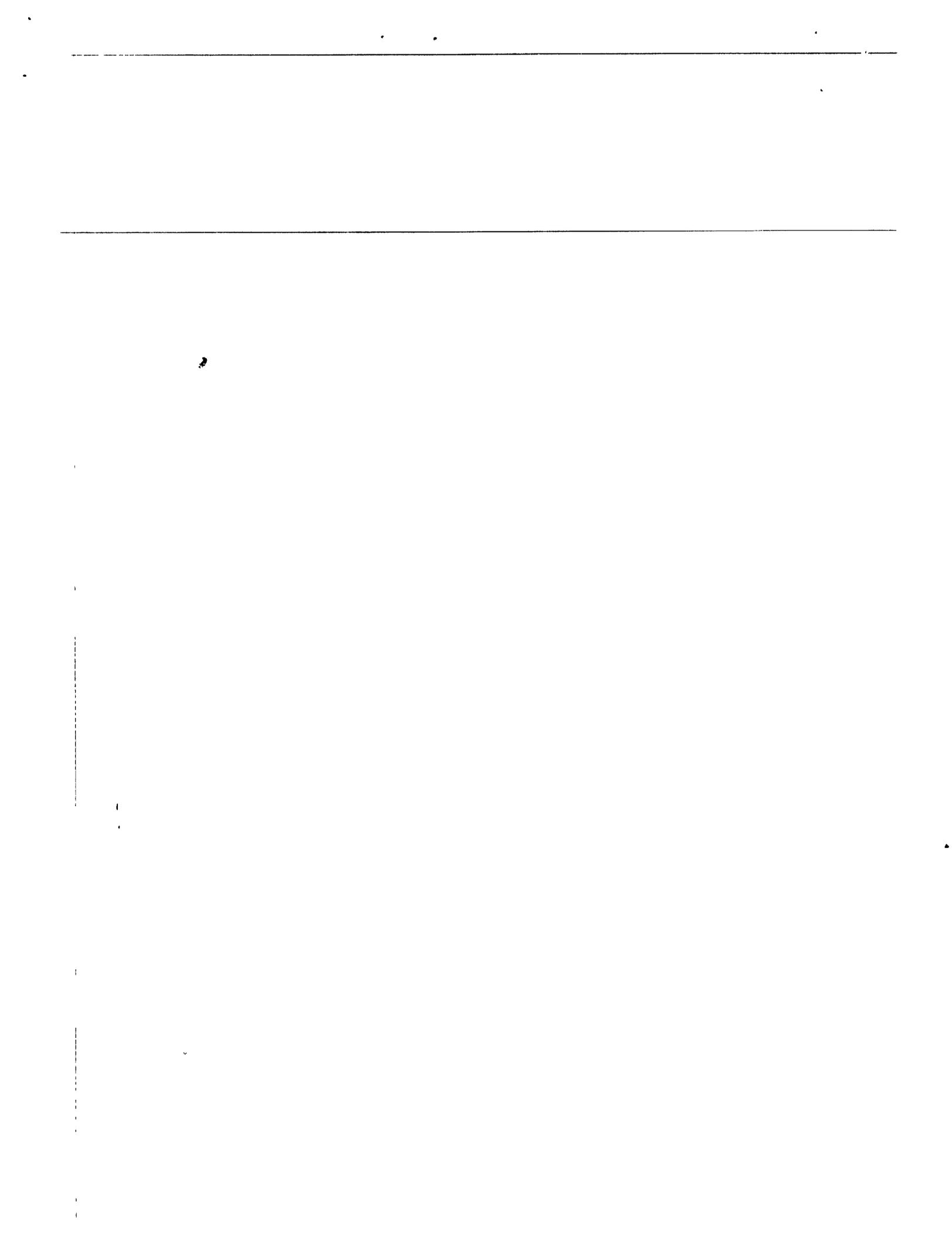


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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

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June 19, 1986

The Honorable Lawrence Coughlin
House of Representatives

Dear Mr. Coughlin:

On March 28, 1986, we briefed you on the principal findings in our report on the U.S. Antisatellite (ASAT) program. The briefing was classified SECRET. During the briefing, you asked a number of questions about the program and options available to the Congress as it considers the Department of Defense's fiscal year 1987 budget request. We did not have the necessary information to answer some of those questions at the time of the briefing. This briefing report provides the additional information you requested.

The specific responses to your questions are included in the appendix. More detailed information on the ASAT program is contained in our report, U.S. ANTISATELLITE PROGRAM: Information on Operational Effectiveness, Cost, Schedule, and Testing, GAO/C-NSIAD-86-20, dated June 1986.

In preparing this report, we used information provided by the Air Force during interviews and in budget documents. We did not independently verify this information, but we did have an Air Force official review it to assure that the most current information was used. As you requested, we did not obtain official agency comments.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this briefing report until 30 days from the date of the report. At that time, we will send copies to the Secretary of Defense, the Secretary of the Air Force, and other interested parties.

Should you have any further questions or would like to discuss the attached material, please call me on 275-4268.

Sincerely yours,

Harry R. Finley
Senior Associate Director

ANSWERS TO QUESTIONS ON U.S. ANTISATELLITE PROGRAM

1. How many research and development antisatellite (ASAT) weapons have been procured to date and when will the remainder be procured?

As of May 30, 1986, 15 research and development missiles, 4 miniature vehicles, and parts for 9 miniature vehicles had been procured. The two extra missiles were used for the captive carry flights and the first point-in-space shot, which did not require miniature vehicles.

The nine unassembled miniature vehicles are scheduled to be assembled as follows: three in fiscal year 1986; four in fiscal year 1987; and two in fiscal year 1988. The last assembled miniature vehicle is scheduled for delivery in November 1988. No production missiles or miniature vehicles had been contracted for.

2. What would be the impact on the ASAT program if no more test shots against targets were to be conducted during the research and development phase?

There is no official Air Force or Department of Defense position on this matter. However, an Air Force official said that money appropriated for the ASAT program would not be effectively utilized if tests against targets were not made since the ASAT program is still very much a research and development program and testing is vital to that program. We agree that testing against targets is a very critical part of any research and development program.

3. What would it cost to terminate the ASAT program?

It is difficult to estimate termination costs. The total amount of government termination costs would vary depending upon the date of termination, status of individual contracts, and the costs to settle claims.

When a contract is terminated for convenience of the government, the government generally pays the contractor for all completed supplies or services accepted by the government, the cost incurred in the performance of the work terminated, the cost of settling and paying claims arising out of the termination of work under subcontracts, and a profit on cost incurred on the terminated effort. The amount paid the contractor should not exceed the total contract price as reduced by payments previously made. The contractor is entitled to additional payments to cover the reasonable costs of settlement, such as accounting, legal,

clerical, and other expenses for the preparation of settlement claims.

We were told that the contracts for the ASAT program cost about \$10 million a month during fiscal year 1986.

4. Is there a point when the program could be mothballed and easily restarted if need be?

Once the contracts with the ASAT developers and producers are terminated, it would be difficult and costly to restart the program. Although there is no official Air Force or Department of Defense position on this matter, according to an Air Force official, the end of the research and development phase planned for 1988 would be the first point when the program could reasonably be mothballed with proven technology. At that point, the ASAT weapon would have completed initial testing, if permitted, and could be put on the shelf with proven technology. However, if testing is allowed to continue, all of the research and development weapons may be expended and there would be no weapons available to use against enemy targets. Terminating the program prior to the completion of the research and development phase could leave the Air Force with unexpended weapons and an unproven technology.

There are no cost estimates of mothballing the contractor's production lines in a way that the program could be easily restarted. According to the same Air Force official, terminating the program after the start of production would be far more costly than terminating it before production begins. In any event, restarting the program after shutting it down would be very costly.

5. What is the status of the funds appropriated for the production of ASAT components?

The ASAT system has not been approved for production. About \$62 million of production funds appropriated in fiscal year 1985 for ASAT weapons are unobligated. About \$38 million of production funds appropriated in fiscal years 1985 and 1986 for ASAT Carrier Aircraft Equipment are also unobligated.

6. What would be the minimum level of funding required to keep the program going in fiscal year 1987?

The answer to the question depends upon the level of program desired. Below, we show the level of funding requested by the Air Force for fiscal year 1987 and three illustrative funding options which can be considered independently.

Table I.1: Funding options for ASAT

	FY 1987 request	Alternative funding options		
		Assemble ^a	Test ^b	Produce ^c
------(millions)-----				
Research, Development, Test and Evaluation (RDT&E), P.E. 64406F:				
Missile development	\$ 57.0	\$57.0	\$ -	\$ -
Support (e.g. test range, Aerospace Corp., etc.)	40.0	-	40.0	40.0
Prototype Missions Operations Center	18.0	-	18.0	-
Instrumented Test Vehicle development	5.0	-	5.0	-
Production verification	<u>158.0</u>	<u>-</u>	<u>-</u>	<u>158.0</u>
Total RDT&E	\$278.0	\$57.0	\$63.0	\$198.0
Missile Procurement, P.E. 12450F	28.5	-	-	-
Other Procurement (Control Center), P.E. 12450F	2.0	-	-	-
Military Construction, P.E. 12450F	<u>15.6</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program	<u>\$324.1</u>	<u>\$57.0</u>	<u>\$63.0</u>	<u>\$198.0</u>

^aThis option includes the assembly of the four research and development miniature vehicles in fiscal year 1987 and partial assembly of the two 1988 vehicles. It does not include funds to make the system produceable nor does it include funds for further test shots.

^bThis option includes funds for test shots using the two research and development weapons that are on hand.

^cThis option includes funds to make the system produceable but does not include funds for further test shots nor does it include funds to assemble the miniature vehicle parts that have been procured.

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