

**NOTICE**

This document has been reproduced  
from the best copy available.

Although it is recognized that  
certain portions are illegible,

It is being released in the interest  
of making available as much  
information as possible.

704000

DOCUMENT RESUME

04000 - [B3054317] (Restricted)

[Status of the Minuteman III Intercontinental Ballistic Missile Program]. B-115398. October 27, 1977. 3 pp.

Letter to Rep. John J. LaFalce; by Robert F. Keller, Acting Comptroller General.

Issue Area: Federal Procurement of Goods and Services (1900).  
Contact: Office of the General Counsel: Special Studies and Analysis.

Budget Function: National Defense: Weapon Systems (057).  
Organization Concerned: Department of Defense; Department of the Air Force.

Congressional Relevance: Rep. John J. LaFalce.  
Authority: Impoundment Control Act of 1974, title X (P.L. 93-344).

~~Don. G. ...~~  
Lotkin  
SSA

COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

OCT 27 1977

B-115398



4317

04000

The Honorable John J. LaFalce  
House of Representatives

~~Do not make available to public reading~~

Dear Mr. LaFalce:

This is in reply to your letter of October 12, 1977, and subsequent discussions with Mr. George Randels of your staff regarding your request that we provide you with a report on the status of the Minuteman III Intercontinental Ballistic Missile (ICBM) program.

As you know, in his 17th special message for fiscal year 1977 dated July 26, 1977 (submitted to the Congress pursuant to the Impoundment Control Act of 1974, title X of Pub. L. No. 93-344, July 12, 1974), the President proposed the rescission of \$105 million of budget authority that had been appropriated to the Department of Defense for missile procurement of the Air Force. Rescission Message No. R77-20. These funds were deemed excess to the needs of the Department of Defense as a result of the President's decision to limit production of the Minuteman III ICBM to 10 missiles instead of 60. This decision was implemented on July 11, 1977, when the Government issued termination notices for parts of the Minuteman III procurement contracts reducing the number of missiles to be built from 60 to 10. The Congress did not act favorably on the rescission request within the 45-day period provided by the Impoundment Control Act of 1974 and, consequently, the \$105 million was required to be made available for obligation on October 16, 1977, the 46th day of continuous congressional session after July 26, 1977. We have confirmed that the Office of Management and Budget and the Department of Defense have made \$105 million available for obligation.

On October 18, 1977, we met with the Air Force Program Element Monitor for the Minuteman Squadrons concerning the current status of the Minuteman III ICBM program. There follows a summary of our findings.

On October 12, 1977, the Department of the Air Force, in anticipation of the rejection of the President's rescission proposal, requested the Space and Missile Systems Organization (SAMSO) to submit its procurement plan for the Minuteman III missiles in light of the Congress not acting favorably on the

proposed rescission of \$105 million. SAMSO submitted its plan to the Deputy Chief of Staff for Research and Development on October 14, 1977.

After review of the SAMSC proposal, the Air Staff submitted its recommendations for the program to the Air Force Secretariat on October 17, 1977. The Air Staff recommended reconstituting the Minuteman III production line to build as many completed Minuteman III boosters as possible within the \$105 million. Whereas, originally, 60 boosters were to have been built, we were told that the \$105 million would now only be sufficient to procure 20-25 boosters; that to build the remaining 25-30 missiles would require an additional \$60 million.

Air Force officials estimate that, once authority is given to proceed with further Minuteman III production, it will take about 6 months to deinitialize the contractual documents associated with the program. In the meantime, work would commence on the basis of supplemental agreements to the existing termination notices. In this connection, we were told that the bulk of the \$105 million will be obligated at the time these supplemental agreements are entered into-- in approximately 2-3 weeks.

We were told that delivery of the Minuteman III missiles could begin in 7 to 10 months after approval is given to restart production; 4 missiles the first month, and 5 missiles per month thereafter. The Air Force reports that if all 60 missiles were procured, program slippage would be about 9-12 months. This delay would be due to the Air Force's having curtailed the program and having to restart the activities. Specifically, delivery of the 60 missiles was originally scheduled for completion by October 1, 1978. Under the present circumstances, all 60 missiles would not be delivered before June-September 1979. In the event additional funds are not provided for all 60 missiles, we were told that program slippage will be less--about 2-5 months for the more limited procurement of the 20 to 25 missiles that the \$105 million can fund. In this case, delivery is expected to be completed between November 1978 and February 1979.

B-115398

Finally, we were told that any strikes or work slowdowns in the aerospace industry, if they occur, can be expected to affect directly the cost and delivery estimates discussed above.

We hope the foregoing will be of help to you.

Sincerely yours,

R.F. KELLER

Acting Comptroller General of  
the United States