

~~TOP SECRET~~

#94

Office of the Secretary of Defense *5 U.S.C. § 552*  
Chief, RDD, ESD, WHS  
Date: *25 Feb 2016* Authority: EO 13526  
Declassify: *X* Deny in Full: \_\_\_\_\_  
Declassify in Part: \_\_\_\_\_  
Reason: \_\_\_\_\_  
MDR: *16-M-0964*

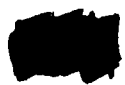
DECLASSIFIED IN FULL  
Authority: EO 13526  
Chief, Records & Declass Div, WHS  
Date:

FEB 25 2016

"WHILE YOU WERE GONE BOOK"

PREPARED FOR  
DEPUTY SECRETARY OF DEFENSE  
BY  
THE SPECIAL ASSISTANT

SEPTEMBER 21-29, 1981



16-M-0964

~~TOP SECRET~~  
Chief, Declassification Division, WHS

USD (R, E)

OCT 5 1981  
DEP. SEC. HAS SEEN

Page determined to be Unclassified  
Reviewed Chief, RDD, WHS  
IAW EO 13526, Section 3.5  
Date:

FEB 25 2016

*[Handwritten mark]*

9mm HANDGUN

DAILY DATA SUMMARY FOR THE DEPUTY SECRETARY OF DEFENSE

Statement of Issue: The competitive acquisition of the 9mm Handgun is underway with the Request for Proposal (RFP) closing 28 September 1981 at 1545 hours. The Army, as the executive service for this procurement, had requested an additional six-month extension to the bid closing while also considering cancellation of the RFP. OSD did not approve this request for extension.

Discussion: These handguns will replace the existing proliferation of .45 and .38 caliber handguns of various makes and models which are now in use. Chairman Addabbo of the Defense Subcommittee of the HAC first identified the issue of proliferation of handguns and ammunition in 1978 and has cut the small arms ammunition budget every year to reiterate the need to standardize. A recommendation and the coordinated competitive acquisition strategy was forwarded by the Army in March 1981 and OSD concurred. Chairman White of the Investigative Subcommittee of the HASC, held hearings in July to examine DoD's position on the acquisition program and alternatives such as conversion of .45's to 9mm. Numerous Congressional inquiries have resulted from this procurement action providing varying views and recommendations on modifications to the current schedule. The offerors who have responded to the competitive Request for Proposals (RFP) are:

Smith and Wesson  
Beretta  
Maremont  
Heckler and Koch  
\*Colt  
\*\*Egyptian Government

Page determined to be Unclassified  
Reviewed Chief, RDD, WHS  
IAW EO 13526, Section 3.5  
Date:

FEB 25 2016

\*Proposal is probably non-responsive to the RFP requirements.  
\*\*Egyptian hardware shipped but not officially received.

Acquisition strategy is a competitive RFP requiring cost and technical suitability to be the principal evaluation parameters of the six factors considered. The procurement is a five-year, multi-year winner take all contract for 217,439 weapons. Coast Guard is buying the first year production weapons on a MIPR to the Army.

Action Taken: OSD position has been not to accept further delays in the closing of the bids. The weekly extensions (15 September to 22 September, 22 September to 28 September) have forced continued reevaluation of the procurement, and interim and delayed replies to Congress. The Italian and Egyptian Governments both have offerors in the competition creating international security affairs concerns about a timely procurement.

Date: 28 September 1981  
Office: OUSDRE/TWP/LW  
POC: C. Bernard  
Phone #: x77645

~~CONFIDENTIAL~~

ROLAND

DAILY DATA SUMMARY FOR THE DEPUTY SECRETARY OF DEFENSE

(21-29 September 1981)

Statement of Issue: In response to the recent budget cuts the DoD position is to terminate the ROLAND program in the FY82 and 83 budgets and recoup as much as possible from FY81.

Discussion: ROLAND is a mobile, all weather, short range air defense system that was to replace the Chaparral system during the '85 to '87 time frame. The basic Roland was a French-German design and when selected by the Army in 1975 was expected to cost \$1.1B. The cost of the program which includes 180 Fire Units to equip 4 Battalions (2 ea for Europe and 2 ea in CONUS for training and rotation) is currently estimated at \$3.3B. The current contract for 38 Fire Units is costed at \$1.3B of which approximately \$900M has been spent. The Army has always held ROLAND in a low priority position. The termination of Roland will create a void in low altitude air defense capability in bad weather conditions. Termination of ROLAND will also impact our NATO relationships.

Action Taken: DoD's position is to terminate the program based primarily on affordability consistent with the Army's priorities. Supporters of the program will continue to pressure for program reinstatement.

DECLASSIFIED IN FULL  
Authority: EO 13526  
Chief, Records & Declass Div, WHS  
Date:

Date: September 28, 1981  
Office: OUSDRE/TWP/Land Warfare  
POC: John Dent  
Phone #: 77645

FEB 25 2016

~~CONFIDENTIAL~~

M-1

DAILY DATA SUMMARY FOR THE DEPUTY SECRETARY OF DEFENSE

(21-29 September 1981)

Statement of Issue: Should Army recommendation for full production of M1 tank be approved?

Discussion: Program review held 15 Sept chaired by USDRE and attended by DSARC principals and Under Secretary of Army, Commander DARCOM, and M1 Program Manager. Army recommended full production go-ahead for the M1 tank. M1 tank has demonstrated major improvement in mobility and survivability over M60 tanks, but has not yet demonstrated required power train durability, maintainability, and supportability. Actions to correct these problems are under way.

Action Taken: Letters to SASC and HASC concerning results of M1 transmission durability testing, required by Authorization Conference report prior to obligation or expenditure of FY81 Supplemental funds, signed by Sec Def 22 Sept. Release of deferred FY81 funds by USDRE and ASD(C) 25 Sept. SDDM for Sec Def decision on full production in preparation.

Page determined to be Unclassified  
Reviewed Chief, RDD, WHS  
IAW EO 13526, Section 3.5  
Date:

Date: September 28, 1981  
Office: OUSDRE/TWP/Land Warfare  
POC: Charles W. Bernard  
Phone #: 59284

FEB 25 2016

SOTAS

DAILY DATA SUMMARY FOR THE DEPUTY SECRETARY OF DEFENSE

(21-29 September 1981)

Statement of Issue: Army's efforts to restructure the development program for the Standoff Target Acquisition System (SOTAS) is experiencing difficulties in reaching an acceptable contractual agreement with the prime contractor.

Discussion: Because of cost increases and schedule slips beyond the threshold limits set at DSARC II, SOTAS program was reviewed by OSD in May of this year. The review resulted in a Secretary of Defense Decision Memorandum (SDDM) that requested the Army to investigate further program options which would reduce the program cost, risk, and shorten the development time. Last week the Army recommended to the USDRE a program which would result in lower program cost and, given successful negotiations then in progress, the assurance that further cost/schedule increases would not occur.

Latest reports indicate that negotiations with the prime contractor (Motorola) to reach agreements on fixed-price contracts for the remaining development work have been broken off.

Action Taken: The resolution of this problem rests with the Army. Present impasse with Motorola will most likely result in an Army proposal to terminate the radar subsystem work at Motorola and to seek a fixed-price contract for an equivalent system elsewhere. This course may require up to an additional \$30M in FY82 RDT&E monies, an amount that will be offset many times over in procurement and operating costs.

Page determined to be Unclassified  
Reviewed Chief, RDD, WHS  
IAW EO 13526, Section 3.5  
Date:

FEB 25 2016

Date: 29 September 1981  
Office: OUSDRE/TWP/Land Warfare  
POC: Mr. Guntis Straders  
Phone #: 70854

DEPSECDEF SIGNIFICANT ITEM

ISSUE

Funding of Multiyear Procurements

DISCUSSION

If the multiyear legislation as contained in Section 909 of H.R. 3519 is enacted as anticipated, the single major issue that remains is funding. The Military Departments are concerned that the requirement for additional up-front TOA for their multiyear programs will be at the expense of some of their other valid requirement(s). With this perception, the Services now appear to be reluctant to pursue our multiyear initiative as aggressively as we desire. This TOA bow wave results from fully funding the annual production quantity and funding to termination liability the advance procurement for outyear components, parts, and materials.

During the Secretary's Performance Review on 16 September 1981, SECDEF provided guidance on this issue. Any TOA shortfall required for the economic buying of outyear components, parts, and materials for those programs selected for multiyear contracting will be provided by OSD and will not be at the expense of other valid requirements. SECDEF's decision eliminates from consideration other funding concepts for our multiyear programs such as unfunded termination liability and incremental funding.

In an attempt to ease the current apprehension on the part of the Military Departments that they will have to cut or eliminate requirements to fund their multiyear programs, assurances must be given that this additional obligation authority will be made available for multiyear procurement above their planned TOA. Additionally, it should be recognized that while this additional TOA approach will resolve the funding issue on the FY 1982 programs, action is needed to resolve the full funding versus some form of incremental funding issue. This action is essential if continuing future effective use is to be made of the multiyear method.

ACTION TAKEN

A letter from the USDRE to the Service Secretaries (draft attached) providing the above-stated assurances concerning additional TOA is currently in coordination with the ASD(C).

Page determined to be Unclassified  
Reviewed Chief, RDD, WHS  
IAW EO 13526, Section 3.5  
Date:

FEB 25 2016

Attachment  
As stated

Page determined to be Unclassified  
Reviewed Chief, RDD, WHS  
IAW EO 13526, Section 3.5  
Date:

FEB 25 2016

**MEMORANDUM FOR Secretaries of the Military Departments**

**SUBJECT: Funding of Multiyear Procurements**

Your efforts and cooperation to implement our multiyear initiative have been excellent. We have progressed to the point where there appears to be one last issue to resolve. That is, how do we fund these acquisitions in order to reap their associated savings.

The Secretary of Defense, during the Secretary's Performance Review of 16 September 1981, provided guidance on this funding issue. The Military Departments are to budget for multiyear programs in essentially the same way as programs that will be funded and contracted for on a year-to-year basis. The only difference will be in the use of termination liability funding for the economic buying of outyear material. Your programs and budget requirements will then be reviewed in the same manner as in prior years. After determining your fiscal year budgetary base, any TOA shortfall required for the economic buying of outyear components, parts, and materials for those selected multiyear programs will be provided by OSD. This additional TOA will be over and above your approved budget. This method ensures you that other valid requirements will not have to be eliminated or reduced in order to accommodate this shortfall.

I ask your continued emphasis on multiyear procurement. If the above method of funding permits other valid FY 1982 programs to become multiyear candidates, they should be submitted as expeditiously as possible.

Your commitment to our multiyear initiative is commended, and I look forward to receiving your FY 1983 candidates.



DEPSECDEF SIGNIFICANT ITEM

24 September 1981 - LTV Tender Offer for Grumman Corp. Stock.

After news stories appeared on the proposed merger between LTV and Grumman, Secretary Weinberger responded to press questions that DoD would look into the impacts of such a merger on DoD. A quick review of past DoD procurements from both corporations and the industrial sector involved indicates that no obvious problems would be generated for DoD by such a merger. We have acquired missiles, rockets, and attack aircraft from LTV and fighter, and attack aircraft from Grumman. The industrial base for missiles, rockets, and attack and fighter aircraft appears adequate to meet military needs. A merger between these two firms does not appear to substantially lessen the potential for competition for the primary products DoD has obtained from them in the past. Therefore, it is not appropriate for DoD to comment on or intercede in the free enterprise system. This position has been stated to reporters who have contacted various persons in OSD. Public Affairs (Mr. Flood) is now the focal point and all further inquiries are being referred to that office. Since the Navy is currently buying several aircraft (including the F-14) from Grumman, a meeting is to take place on 28 September between the Navy and Grumman executives to make a more detailed review of the proposed merger.

Page determined to be Unclassified  
Reviewed Chief, RDD, WHS  
IAW EO 13526, Section 3.5  
Date:

FEB 25 2016