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OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

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X102-16

24 NOV 1981

RESEARCH AND  
ENGINEERING

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY  
(RESEARCH, DEVELOPMENT AND ACQUISITION)

SUBJECT: Acquisition of AN/GSC-39 Satellite Communications Terminals for  
the Defense Satellite Communications System (DSCS) (U)

(U) I have been advised that the contractor for the AN/GSC-39 satellite communications ground terminal has requested Government financial assistance under Public Law 85-804 for the purpose of completing the present contract for 21 terminals. It is understood that if this financial assistance is not provided, the contractor will be forced to close his facility and file bankruptcy. If this happens, the contract will be terminated and the Department of Defense will only receive 10 of the 21 terminals contracted for, while having paid approximately 90 percent of the contract cost. In addition, the spare parts for 56 of the existing DSCS ground terminals would no longer be available since this same contractor is presently the only supplier.

(U) Aside from the evident cost implication of premature contract termination, adherence to the current AN/GSC-39 terminal delivery schedule and maintenance of an uninterrupted supply of spare parts for existing DSCS terminals is essential to the Department of Defense. In this regard, the following facts are of critical significance. First, 16 of these 21 new terminals are replacements for terminals procured in 1966. These old terminals are costly and difficult to maintain, unable to support present user requirements, and wasteful of limited satellite capacity. Second, the five new terminals being procured to support new requirements are of critical strategic importance. For example, one of the new terminals will provide essential connectivity of remote sensor site data to the North American Aerospace Defense (NORAD) Command. Failure to meet the delivery schedule for this terminal would jeopardize a critical segment of the entire program for reliability and survivability upgrades to the tactical warning and attack assessment system and connectivity to the command centers being implemented under the multi-million dollar Jam Resistant Secure Communications (JRSC) program. Third, loss of the spare parts supplier for the existing operating DSCS system would jeopardize certain critical intelligence missions and curtail our ability to command and control deployed US forces.

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Authority: EO 13526  
Chief, Records & Declass Div, WHS  
Date: FEB 26 2014

Classified By:                     DUSD (C3I)                      
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13-M-4737

I recognize that the financial impact on Army resources to continue with this program will be difficult to absorb; however, the operational impact of not continuing would be catastrophic in terms of the ability to satisfy critical command and control and intelligence requirements. The Organization of the Joint Chiefs of Staff is responsible for satellite terminal deployment in support of operational needs, and they have concurred with the Department of Defense position that the present AN/GSC-39 terminal acquisition is essential. Accordingly, it is requested that you take every possible measure to provide the financial assistance being requested by the contractor in order to maintain the present AN/GSC-39 terminal contract and assure on-schedule delivery of all 21 terminals and to preserve the present source of spare parts for our operating DSCS terminals.

*Donald C. Latham*

Donald C. Latham  
Deputy Under Secretary of Defense  
(Communications, Command, Control,  
and Intelligence)

Office of the Secretary of Defense 5 U.S.C. 552  
Chief, RDD, ESD, WHS  
Date: 26 FEB 2014 Authority: EO 13526  
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OSD 5 U.S.C. § 552(b)(6)



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RESEARCH AND  
ENGINEERING

November 20, 1981

MEMORANDUM TO DEPUTY UNDER SECRETARY OF DEFENSE (C31) *92*

THROUGH: ASSISTANT DEPUTY UNDER SECRETARY OF DEFENSE (C3) *Q*

FROM: DIRECTOR, STRATEGIC & THEATER NUCLEAR FORCES C3 *RSD*

ACTION REQUIRED: To forward a memorandum to Assistant Secretary of the Army (RD&A) advising him that OSD considers the AN/GSC-39 satellite ground terminal acquisition contract essential to the DOD.

BACKGROUND: For some time we have known that the AN/GSC-39 ground terminal contractor has been in financial trouble. We have advised the Army that they should do the best they can to keep the contractor going, since he is delivering a good, reliable ground terminal to the users. We have also stated that we would support the Army in any action they considered necessary to maintain the contractor in operation until all 21 of the terminals contracted for are delivered. Now the Army has advised the contractor to request financial aid under Public Law 85-804. The aid requested, however, will only be provided if the program is identified as an essential DOD program. The proposed memorandum to the Army identifies the terminal acquisition as an essential program.

RECOMMENDATION: That you sign the proposed memorandum.

COORDINATION:

*H. Dorkin*  
OJCS (C3S)

*20 Nov 81*  
(Date)

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Authority: EO 13526  
Chief, Records & Declass Div, WHS  
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Prep'd by: [redacted] re/S&TNFC3/3E163/[redacted] 18Nov81

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