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FORWARDED BY : jgrant (james grant)  
FORWARDING DATE : 5 May 1995 at 0719 EDT  
FORWARDED TO : jjlee  
SENT BY : ZURAG@WPGATE1.WPAFB.AF.MIL (Col Gary Zura)  
SENT DATE : 1 May 1995 at 1328 EDT  
SUBJECT : Fw: M Account Draft Legislation  
SENT TO : distribution:@WPGATE1.WPAFB.AF.MIL;; (see, end, of, body)  
COPY TO : BTAYLOR@WPGATE1.WPAFB.AF.MIL, MCKINNW@WPGATE1.WPAFB.AF.MIL  
STATUS : new, read

(forwarding comment)

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Lorraine may have sent this to you. Jim

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(original message follows)

(forwarding comment)

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For your information. SAM

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(original message follows)

Form: Memo  
Text: (54 lines follow)

1. During our last PK Director's conference, PKM agreed to provide you a copy of current draft legislation related to M Account and canceled funds. Similar language is included in both the 1996 Defense Appropriations Act and the 1996 Authorization Act. Waivers only apply to satellite on-orbit incentives and to shipbuilding. Relief for "on-orbit incentives" represents the only change to current requirements. Although industry has suggested a broader legislative initiative, approval is unlikely. Excerpts from the draft legislation related to canceling funds are shown below:

2. 1996 Defense Authorization Act: "Missile Procurement, Air Force: For construction, procurement, and modification of missiles, spacecraft, rockets, ammunition, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; [\$3,647,711,000, to remain available for obligation until September 30, [1997] 1998.

Further, for the foregoing purposes, \$4,422,579,000, to become available on October 1, 1996 and to remain available until September 30, 1999.

Funds appropriated herein which are available for the payment of satellite-on-orbit incentive fees shall remain available until the fees are earned. (10 U.S.C. 1905, 2271-79, 2363, 2386, 2653, 2673, 2672a, 8013, 8062, 9501-02, 9531-32, 9741-42; 50 U.S.C. 451, 453, 455, Department of Defense Appropriations Act, 1995.)

3. 1996 Authorization Act: "Title XII--ACQUISITION REFORM

At 95-8C (FAR 32). Post to FAR 32.7 and AFMCFARS 5332.7 by circling the references and noting in the margin: "70-41, atch 95-8C." Then file this atch behind the sups to FAR 32.

SEC. 1201. WAIVERS FROM CANCELLATION OF FUNDS  
Notwithstanding section 1552(a) of title 31, United States Code--  
(1) funding appropriated for satellite on-orbit incentive fees will remain available for obligation and expenditure until the fee is earned; and  
(2) funding appropriated for Shipbuilding and Conversion, Navy, and for other government shipbuilding appropriations, available for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction shall be available for obligation and expenditure until the purpose for which such monies were appropriated is satisfied."

It is my view that relief from the constraints which the M-account legislation imposed on us will slowly be adjusted over a number of years. Using the concept of the on-orbit incentive is a beginning--more relief may be requested/granted as we are able to develop crisp examples of how funding constraints impede the acquisition process. It is also my view that we will never, and should not, return to the "glory days" of the M-account which fostered undisciplined funds management and unfortunate abuses. If any further details are needed, contact staff action officers Maj Dave McKinney or Bonnie Taylor at DSN 787-2466.

Use Proportional Font: true  
Previous From: MCKINNW @ AFMC (Maj William D. McKinney)  
Previous To: zurag @ AFMC  
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Attachment Count: 0

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