



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

FEB 17 2006

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

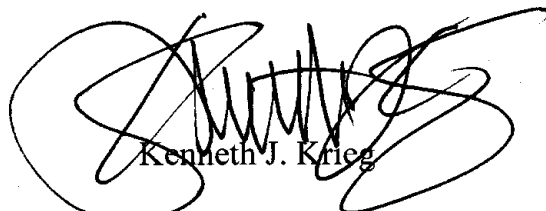
MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Authority for Use of Other Transactions for Prototype Projects

Section 845(a)(2) of the National Defense Authorization Act for Fiscal Year 1994, Public Law 103-160 (1993), as amended by section 823 of the National Defense Authorization Act for Fiscal Year 2006, Public Law 109-163 (enacted January 6, 2006), imposes a written determination requirement for authority to use other transactions for prototype projects estimated to exceed \$20,000,000. The written determination requirement for authority to use other transactions applies to prototype projects that are directly related to weapons or weapon systems that are proposed to be developed or acquired by the Department of Defense. Section 823 also includes a requirement to notify the Congressional defense committees at least thirty days prior to signing an other transaction agreement for a prototype project that is expected to exceed \$100,000,000. The written determination approval levels for the use of other transactions for prototype projects set forth in section 823 are as follows:

Estimated Cost	Approval Authority for Military Departments	Approval Authority for Defense Agencies
Over \$20,000,000 up to \$100,000,000	Senior Procurement Executives	USD(AT&L)
Over \$100,000,000	USD(AT&L)	USD(AT&L)

Requests for determinations to permit the use of another transaction for a prototype project requiring my approval under section 845(a)(2) (as amended), shall be submitted to the Director, Defense Procurement and Acquisition Policy (DPAP), 3060 Defense Pentagon, Room 3E1044, Washington, D.C. 20301-3060. My staff point of contact for this subject is Ms. Susan Pollack, Defense Procurement and Acquisition Policy, 703-697-8336, susan.pollack@osd.mil.



Kenneth J. Krieg



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