THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

MAR 0 2 2007

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Authority for Use of Other Transactions for Prototype Projects

The John Warner National Defense Authorization Act for FY 2007 requires written determination for authority to use other transactions for prototype projects estimated to exceed $20,000,000. This 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. The act also requires us to notify the congressional defense committees at least 30 days prior to experiencing the authority for 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, which may not be delegated, are:

Estimated Cost	**Approval Authority for Military Departments, DARPA and MDA**	**Approval Authority for all other Defense Agencies**
Over $20,000,000 up to $100,000,000	Senior Procurement Executives of the MilDeps, Agency Director	USD(AT&L)
Over $100,000,000	USD(AT&L)	USD(AT&L)

Submit requests for determinations to permit the use of an other transaction for a prototype project requiring my approval to the Director, Defense Procurement and Acquisition Policy (DPAP), 3060 Defense Pentagon, room 3E1044, Washington, DC 20301-3060. My point of contact is Mr. Andrew Obermeyer, DPAP, 703-697-6710, Andrew.Obermeyer@osd.mil.

Kenneth J. Krieg