DEC 0 8 2009

Mr. Levator Norsworthy, Jr.
Acting Principal Deputy General Counsel
Office of the General Counsel
Department of the Army
104 Army Pentagon
Washington DC 20301-0104

Dear Mr. Norsworthy:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed by the United States Senate for the position of Assistant Secretary of the Army for Acquisition, Logistics and Technology.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

During my term of office, neither I nor my spouse will invest in any organization identified as a Department of Defense contractor or any other entity that would create a conflict of interest with my Government duties. I understand that if any company in which my spouse or I invest enters into a contract with the Department of Defense, we will be required to divest that interest. I further understand that we may request a Certificate of Divestiture for these assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Where applicable, we will request a Certificate of Divestiture from the U.S. Office of Government Ethics. However, I also understand that my spouse and I must divest such assets whether or not I receive a Certificate of Divestiture.

As a former executive with Lockheed Martin, I currently have interests in the following Lockheed Martin plans: Deferred Management Incentive Compensation Plan (DMICP), Non-Qualified Supplemental Savings Plan (NQSSP), both Pre-2005 and Post-2004; and Salaried Savings Plan (SSP). Since my departure in February 2006, neither Lockheed Martin nor I have contributed to any of these plans. Pursuant to company policy, upon appointment, Lockheed Martin will pay a lump sum, which will be based on the value of the holdings in my accounts under these plans. Further, within 90 days of appointment, I will divest all interests in these plans and also the following Department of Defense contractor stock separately held:

PRIVATELY HELD STOCK

Information Systems Labs

Edmund Optics

PUBLICLY TRADED STOCK

AIG.

Lockheed Martin

Coca Cola

Microsoft

General Electric

Pfizer

Intel Corp

Viasat

I will also divest my vested Lockheed Martin stock options, within 90 days of my appointment. I do not hold any unvested stock options in Lockheed Martin. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of each of these entities until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I will continue to participate in the Lockheed Martin Corporation defined benefit plan. Therefore, as set out in the letter signed by the Chairman and Ranking Member of the Senate Armed Services Committee dated September 23, 2005, I agree that prior to acting in any particular matter that is likely to have a direct, predictable, and substantial effect on the financial interest of Lockheed Martin, I will consult with you, and will not act in the matter unless you determine that the interest of the Government in my participation outweighs any appearance of impropriety, and you issue a written determination authorizing my participation. I understand that such an authorization does not constitute a waiver of 18 U.S.C. § 208 and does not affect the applicability of that section.

Upon appointment, I will terminate my consulting relationships with Oak Ridge National Lab, UT- Battelle; Vanguard Research, Inc., Physical Sciences, Inc.; and Lockheed Martin. Further, upon appointment, I will resign from my positions as Chairman, Board on Army Science & Technology, The National Academies; Director/Consultant, Board of Directors, Draper Laboratory; Director/Consultant, Board of Directors, Edmund Optics, Inc.; Director/Consultant, Board of Directors, Information Systems Labs; Member, Board of Directors, Electronic Warfare Associates; Thought Leader/Consultant, Oak Ridge National Lab, UT-Battelle; Member/Consultant, Strategic Advisory Group-Missile Defense, Vanguard Research, Inc.; Member of the Board of Visitors for the Clark School of Engineering for the University of Maryland; and Member of the Board of Affiliates for the Sloan Masters Program of Rice University. As of January 2009, I am no longer under contract as a Consultant to Sparta, Inc.; and as of March 2009, I am no longer a Member of Board of Directors, Auxilia. For a period of two years from the date of my appointment, I will not participate personally and substantially in any particular matter involving specific parties in which any of these entities is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d) and Section 3 of the Executive Order 13490.

Further, of the above positions and consulting clients, Oak Ridge National Lab, UT-Battelle and Draper Labs owes me for services rendered. These receivables will be fixed before

my appointment. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Oak Ridge National Lab, UT-Battelle and Draper Labs to pay this amount.

I will divest my shares of private stock in Edmund Optics, Inc. and Information Systems Labs, within 90 days of my confirmation. Consistent with the companies' policies for departing executives, Information Systems Labs and Edmund Optics, Inc. will repurchase these shares upon my resignation or permit me to transfer the shares to my adult children. Pursuant to company policy, Information Systems Labs and Edmund Optics, Inc. value their private stock once a year, and the repurchase price will be based on the most recent valuation at the time of my resignation. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Information Systems Labs or Edmund Optics, Inc. until I have divested the stock, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

Finally, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Sincerely,

Malcolm R. O'Neill