

We would both prefer to do this work in the normal manufacturing sequence of a vehicle. Moreover, we are acutely aware of the potential for this deferral of work to grow. We have taken definite management actions to decrease this growth so that we can establish normal test cycles at the field test sites and at KSC. Due to the nature of a development program, the first vehicles have transferred work due to the phase of design, testing and manufacturing. There is a significant downward trend in the amount of open work transferred with each succeeding vehicle. We have included a clause in our incentive contracts that allows us to deduct fee for discrepancies or open work existing at the time of turnover of hardware to the government. We are never satisfied with any amount of transferred work. We have and will continue to exert NASA and contractor emphasis to reduce the level.

Mr. WAGGONER. Isn't this one of the reasons you have contractor personnel on the scene at these facilities to do last-minute things that can better be done there than at the point of fabrication?

Dr. MUELLER. Yes.

Mr. WAGGONER. These pastings are to point out what remains to be done, for safety purposes.

Dr. MUELLER. And there are, of course, things that are picked up when you go to the new place. That is why we static fire these vehicles, and carry through the complete inspection at the far end, to find those things that are incompatible in the design.

Mr. FULTON. The point of my question is whether the contractor is meeting the requirements on vehicles and components.

Dr. MUELLER. Yes.

Here is one of the problems we encountered last year. On the left you see the second stage, the second or third firing of the all-systems stage at the Mississippi Testing Facility (fig. 14, MA66-9226). Fol-

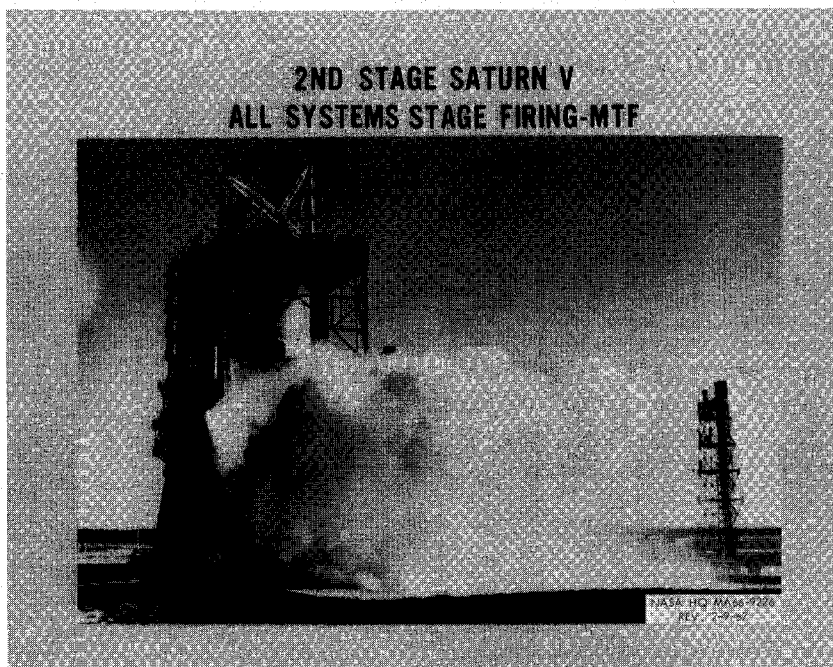


FIGURE 14