

Mr. GAVIN. I think we, rather than give you an offhand figure, I think we would like to supply that.

Mr. FELTON. Could you also, since 90 percent of your subcontracts have been cost-plus incentive fee could you also discuss as to whether or not you would continue this or whether you would go to fixed price and the reasons for it?

Mr. GAVIN. In looking downstream, I believe it is both to our advantage and the Government's advantage to try to reduce these to fixed price contracts. That is my impression. The only proviso that I would attach to that is that over the period of time that we gain experience with the current LM's, it is very likely that there will be some changes brought about. This then could raise the question of whether we should continue CPIF or fixed price; but if we can maintain the fact that most of the development is behind and done, we should strive for fixed price arrangement.

Mr. RATHKE. The first part of that question I think requires a little clarification as to how much reorder we are talking about.

Chairman TEAGUE. And what date. The later the reorder, the bigger the cost back to the man, working under the assumption that the reorder is good and valid.

Mr. GAVIN. I think we can give you those figures.

Chairman TEAGUE. Thank you very much, Joe. It is always a good pleasure to be with you.

Mr. GAVIN. Well, shall we adjourn for lunch?

Chairman TEAGUE. Yes.

(Whereupon, at 12:45 p.m., the hearing was adjourned.)