

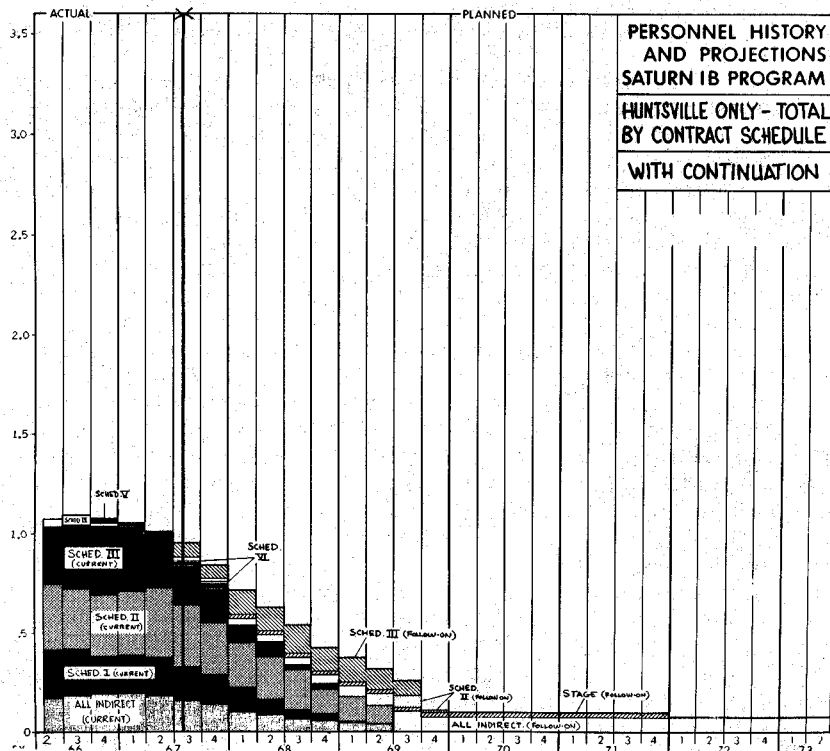


CHART 12

in mothballs for an indefinite period. You then face the tremendous cost of reestablishing an organization with technical competence. And you can't have program continuity unless you have the missions which require the use of the vehicles.

This is a budgetary and planning cost estimate of what a program of 16 birds costs. It's about \$139 million or about \$8½ million a stage. This low cost is possible principally due to the elimination of the static fire and cutting down checkout to just one checkout and having no qualification work, no product improvement work, and no reliability work.

I might say right now in order to do this we have to have a request for proposal out of the Government. We have to generate a formal proposal in response to that request. It has to be evaluated by the Government. We have to indulge in negotiations, and finally we have to have an executed contract. Historically, that's a 7-month job, so if we got the go-ahead tonight we'd be too late unless we figure out some way to expedite this process. So we need the action now—we're late—this isn't something that you can put off until a year from now. You can't put it off until June 30. Now, what happens if we go this way?

I show here in yellow, these are the charts that you saw before, if we go this way we will move from a 2,800-man organization to