

NAS-8-4016

SCHEDULE VI

(LONG LEAD TIME MAT'L PROCURE-
MENT FOR STAGES S-I-B 13,14,15,16)

COST PLAN \$ IN MILLIONS

ITEM	FY 1967
	14 OCT. 66 - 30 JUNE 67
ENGINEERING L & B \$	1.074
OPERATIONS L & B \$	.932
OTHER L & B \$	.033
SUB-TOTAL L & B \$	2.039
OTHER DIRECT COST	
MATERIAL (STAGE) \$	3.600
MAT'L PROC. EXPENSE	.582
OTHER	.286
SUB-TOTAL	4.468
SUB-TOTAL	6.507
G & A EXPENSE & FEE	.694
GRAND TOTAL	7.201

CHART 14

over half of our people in 19 months. Now if we had retained every person that we had hired in that period and had lost none, we would be up to 7,647 people. We added 2,132 for a net loss of 709. This is an attrition rate up to this point, when our layoffs began, of a little over 3 percent per month, and this represents one of the most expensive aspects of this business. You have to hunt harder, take more trips, interview more people to get a man to come on roll when you have no assurance of program continuity. Without a follow-on program it becomes very difficult to induce people to join the team and as far as we know the only corrective means that will stop this rate of turnover is a follow-on program authorization. Nothing else will do it. Schedule VI won't do it because it is not a follow-on program.

We'll talk now about schedule II. What is it? Vehicle integra-