

Mr. GURNEY. One other question touched on before. I asked how long you had been operating under the seven plan to find out whether you have a little concern about the morale problem of your personnel as well as whether your personnel are going to shop around for other jobs when they know these contracts are up for bid?

Obviously, some are not going to be retained by the new man, and, as far as they are concerned, maybe none of them will be. There has been such experience down here.

Mr. SIEPERT. I am sure there is some unrest on this point among the local employees. Our own studies of this, however, show that there is very little movement in and out of the community when contracts change hands.

For example, contractors on the stage site, as you know, leave the Cape when the Air Force contracts have been finished. Yet the personnel do not, by and large, leave the area, because they are, due to their experience, readily hired by the new contractor.

Mr. GURNEY. Those have been a little different. When those people came onboard, they knew the contract was going to end at a certain time. This is somewhat different.

Dr. DEBUS. They were renewable options each year up to a maximum of 3 years.

Mr. SIEPERT. Most of these contracts have a period of time which is renewable 1 year at a time in order to preserve the Government's ability to terminate for convenience or unsatisfactory performance.

Mr. WAGGONER. You said that you had 3 years of experience in the support contractor area of dealing in seven areas. Isn't it a fact that the 3 years of experience had its start at the time of the separation of Marshall and Kennedy?

Dr. DEBUS. These started with the activation of the new area. In the old area at Cape Kennedy we were still relying on the Air Force—the Eastern Test Range, specifically. Our support was by Air Force contractors—Pan American and its subcontractor, RCA. When we started to activate this area, we needed a similar type support, and we assessed this in two ways.

As you may recall, the mission contractors at the Eastern Test Range were really Air Force personnel and contractors to the Systems Division. The Eastern Test Range was operating with Pan American and RCA, and this support is still given to us at Cape Kennedy.

However, we did not conclude that it would be in the best interest of the Government for the civilian space agency, the landlord of the new Merritt Island facilities, to make the Air Force its executive agent by extending the Air Force contract into this area.

Another possibility was to do it all by adding large numbers of civil service personnel. All factors considered, the most practicable way was to develop a NASA team of civil servants and mission contractors. It seemed likely that some of the best specialization in the country lay with industrial contractors—color photography, for example. We want to bring to bear the best knowledge in color photography and keep it up to date as this technology increases and improves. Costs may go down and new processes may develop, so we want to have a contractor who is right at the pulse of this technology and can bring it to bear in our area. The same is true in other support areas.