

budget charts used before the committee during the fiscal year 1968 authorization hearings have been marked up to show the changes. Our review of the Apollo budget for the 2 years indicated the following increases over the combined fiscal year 1967 operating plan and fiscal year 1968 request:

1. The required materials changes and flammability testing for the new spacecraft configuration are estimated at \$5 million.

2. The design and incorporation of equipment changes and modifications in the Block II spacecraft are estimated at \$40 million.

3. The development of new spacesuits is estimated at \$8 million.

4. The rescheduling of spacecraft deliveries, both Command-Service Module and Lunar Module, is estimated at \$17 million.

5. The modifications to the launch facilities are estimated at \$5 million.

In total, then, about \$75 million of additional costs through fiscal year 1968 have been identified to date. Offsetting reductions of \$25 million in fund requirements, stemming from the lower than planned level of mission operations, have been established, of which \$15 million relates to less launch preparation and \$10 million for fewer recovery operations.

The remaining \$50 million of additional costs will have to be offset by careful management of existing contracts. The contracts provide strong incentives for a maximum contractor effort to achieve the best in meeting performance, cost, and time requirements. Additionally, through the control of obligations in the large Saturn V contracts, we anticipate making up a large part of the \$50 million deficit. I wish to stress again that these are estimates at this time and are subject to revision as the individual contractual actions are taken.

In the longer term, the runout costs of Apollo are estimated to increase by \$410 million from our previous estimates, largely as a factor of extending the basic Saturn V launch schedule into fiscal year 1971.

The net effect of these changed requirements on the fiscal year 1968 budget request are shown on the following charts.

Apollo assignments

	Primary	Backup
204.....	Lunar Module development.....	None.
205.....	Command-Service Module operations.....	None.
206/207 and subs.....	Command-Service Module-Lunar Module operations.....	Lunar Module development, Command-Service Module operations.
501.....	L/V and S/C development.....	None.
502.....	L/V and S/C development.....	None.
503.....	Command-Service Module-Lunar Module operations.....	L/V and S/C development.
504.....	Lunar mission simulation.....	Command-Service Module-Lunar Module operations
505 and subs.....	Lunar mission capability.....	Lunar mission simulation

FIGURE 1

Summary of adjustments to schedule through SA-212 and SA-515

Launches	Fiscal year 1967	Fiscal year 1968	Fiscal year 1969	Fiscal year 1970	Fiscal year 1971
Previous schedule:					
Saturn IB.....	4	6	1		
Saturn V.....	1	4	5	5	
Revised schedule:					
Saturn IB.....	2	4	5		
Saturn V.....		3	5	6	1

FIGURE 2