Mr. MONAGAN. We will make it a point to look into that.

Mrs. HECKLER. I think this is the kind of weakness which must be remedied. It would require more personnel to tighten it up to insure that the right people get the equipment and also that the equipment will be used. It is a question of who is receiving the equipment, who is receiving the enrichment of the U.S. Government and whether or not it is the people the Government wants to help.

Mr. WOLL. I don't know if that was a question.

Mrs. HECKLER. No, that was a statement. That is all, Mr. Chairman.

Mr. MONAGAN. Any further questions?

Mr. BARASH. Mr. Woll, do any of your rehab sites guarantee the performance of the equipment that they repair?

Mr. WOLL. When you use the term "guarantee," there is no actual written guarantee but, as I mentioned before, if a complaint comes in and it is a valid complaint we try to rectify it and we always have.

Mr. BARASH. Then you would have to assume that cost rather than the contractor?

Mr. WOLL. Yes.

Mr. BARASH. And at none of your rehab sites will the contractor assume responsibility for that?

Mr. WOLL. This particular contractor has used his own funds to my knowledge. I know there was a complaint that came in from Tunisia and he sent his own mechanic at his expense and repaired that piece of equipment.

Mrs. HECKLER. This contractor?

Mr. WOLL. Yes.

Mr. BARASH. You stated that where there is a request for a high-priority project you will repair the piece of equipment at any cost, but what is your BER—beyond economic repair—rate for non-high-priority projects?

Mr. WOLL. Here or worldwide?

Mr. BARASH. Both if you have it.

Mr. WOLL. How much of your BER is not on firm orders?

Mr. GIBSON. Very little, less than one-half of 1 percent.

Mr. WOLL. I would go so far as to say our worldwide average would be less than 5 percent, Mr. Barash, on an acquisition value basis.

Mr. BARASH. That is all, Mr. Chairman.

Mr. MONAGAN. Mr. Woll, briefly, after looking this contract over, I think I get an outline of the basis on which it is formed. There is a minimum undertaking by the U.S. Government to order supplies or services of $200,000.

Mr. WOLL. This was the original amount. It has been amended upward. This was the original contract signed in November 1964.

Mr. MONAGAN. And at that time the maximum was estimated to be $1.5 million.

Mr. WOLL. Yes, sir.

Mr. MONAGAN. But that was not acquisition value?

Mr. WOLL. No, sir.

Mr. MONAGAN. That was in terms of payment for services?

Mr. WOLL. Yes, sir.

Mr. MONAGAN. And in return for that the contractor agreed to do certain specified services but that is calculated on an hourly labor rate?