

*April 14, 1967.*—General Electric, in a telegram from Mr. Craig (GE vice president) to Mr. Jones (EB president) advises Electric Boat that upon receipt of a rated order for this equipment, General Electric will immediately review the order and their ability to perform in light of other priority work already reviewed or committed.

*April 14, 1967.*—NAVSHIPS officially responds to the March 17, 1967 Electric Boat request for Government assistance and instructs Electric Boat to issue General Electric a rated order for this equipment.

*April 19, 1967.*—Electric Boat, in a telegram to Mr. Craig (GE vice president) from Mr. J. M. Cowell, vice president, Electric Boat, Planning and Control, issues a rated order requesting General Electric to design and manufacture the main propulsion equipment for [classified material deleted] SSN.

*April 20, 1967.*—General Electric, in a letter signed by Mr. Hill, (GE, M.S.T.G. & G. manager) advises Electric Boat that they are unable to accept the rated order for [classified material deleted] SSN vice president) to Mr. Craig (GE vice president), requests that General Electric cannot conform to the design requirements for the equipment and that prior technical commitments on similarly rated orders prevent General Electric from applying the necessary effort on an alternate proposal until after April 1968. Further, General Electric states that June 15, 1968 would be the earliest possible date for the submission of an alternate proposal.

*April 27, 1967.*—Electric Boat, in a telegram from Mr. Pierce (EB vice president) to Mr. Craig (GE vice president), requests that General Electric identify those specific requirements which General Electric feels cannot be met, and asks that General Electric advise of the earliest date when a meeting could be held to resolve these requirements.

*April 28, 1967.*—Mr. Hill (GE, M.S.T.G. & G. manager) calls Mr. Pierce (EB vice president) and states that General Electric can provide no specific requirements which they could not meet without completing the alternate proposals described in their April 20, 1967 refusal to bid. Mr. Hill reiterates that the reason for refusal to bid is lack of technical personnel.

*April 28, 1967.*—CNM, in a letter from Rear Adm. J. L. Howard, Deputy Chief of Naval Material (Procurement) to Mr. R. L. Borum, Administrator, Business and Defense Services Administration (BDSA), Department of Commerce, advises the Department of Commerce that General Electric has now officially refused to accept a rated order to design and manufacture the main propulsion equipment for [classified material deleted] SSN. In this letter, CNM again requests the Department of Commerce to obtain acceptance and performance of a rated order by General Electric for this work. This letter points out that the engineering work involved in this job is estimated to comprise about 10 to 15 percent of the total price and that it is inconceivable that the General Electric Co., the Nation's second largest defense contractor, cannot provide the modest technical resources required for this work.

*May 1, 1967.*—Admiral Rickover testifies before the Defense Appropriations Subcommittee of the House Appropriations Committee. In response to questions concerning the status of new projects, Admiral Rickover relates the current status of efforts to procure main propulsion equipment for [classified material deleted] SSN.

*May 3, 1967.*—Admiral Rickover advise Secretary of the Navy Nitze by memorandum of the difficulties the Navy is encountering in obtaining the main propulsion equipment for [classified material deleted] SSN.

*May 3, 1967.*—The AEC, in a letter signed by Mr. R. E. Hollingsworth, General Manager, Atomic Energy Commission, to Senator John O. Pastore, chairman, Joint Committee on Atomic Energy, informs the Joint Committee of developments regarding the procurement of the main propulsion equipment for [classified material deleted] SSN since Admiral Rickover's March 16, 1967, testimony.

*May 3, 1967.*—Mr. R. A. Carr, Director for Production Services, Office of the Deputy Assistant Secretary of Defense (Material), meets with NAVSHIPS representatives and is briefed on the current status of this matter. NAVSHIPS emphasizes that the Department of Commerce had been asked twice to issue a directive, first on March 30, 1967, and again on April 28, 1967. NAVSHIPS states that they would appreciate any assistance DOD could provide. Mr. Carr states that the General Electric refusal to bid is a matter which should be handled by the Department of Commerce; however, DOD would support the Navy.