

*May 3, 1967.*—General Electric, in a letter from Mr. Hill (GE, M.S.T.G. & G. manager) to Mr. Pierce (EB vice president) advises Electric Boat that General Electric considers that preliminary design studies should be performed to verify the feasibility of [classified material deleted] SSN main propulsion equipment as described in the Electric Boat specifications. In this letter, General Electric again states that such a study could not be started until April 1968.

*May 5, 1967.*—Electric Boat in a telegram from Mr. Pierce (EB vice president) to Mr. Hill (GE, M.S.T.G. & G. manager), advises General Electric that Electric Boat considers the basic equipment described in the specifications completely feasible and encourages General Electric to proceed immediately with any necessary design and specification review studies since the equipment is required to support an urgent military need.

*May 8, 1967.*—General Electric, in a telegram from Mr. Hill (GE, M.S.T.G. & G. manager), acknowledges receipt of the May 5, 1967, Electric Boat telegram but reiterates that General Electric is unable to address themselves to a review and analysis of the specification requirements until after April 1968.

*May 8, 1967.*—Senator John O. Pastore and Representative Chet Holifield, chairman and vice chairman of the Joint Committee on Atomic Energy, in a letter to Acting Secretary of Commerce Alexander L. Trowbridge, strongly urge that the Department of Commerce make every effort within its authority to assist the Navy in getting General Electric to accept and perform an order for [classified material deleted] SSN main propulsion equipment. Senator Pastore provides a copy of this letter to Secretary of Defense McNamara asking DOD to assist the Navy in this matter.

*May 10, 1967.*—General Electric, in a letter from Mr. Hill (GE, M.S.T.G. & G. manager) to Mr. Bertsch (BDSA, Department of Commerce), summarizes the General Electric position. The letter states that under normal circumstances General Electric would be pleased to consider undertaking development of [classified material deleted] for the Navy but their current workload for the Navy, coupled with a very limited resource of experienced main propulsion turbine engineers, prevents them from considering such a project at this time. General Electric again states that they would not be in a position to review existing design specifications until approximately April 1968 and that the results of their feasibility studies would not be available until approximately June 1968. The letter further states that General Electric's experience with similar equipment indicates that a period of about 42 months would be required to produce hardware after all designs are available.

*May 12, 1967.*—NavShips representatives meet with Rear Adm. J. D. Arnold, Deputy Chief of Naval Material (Logistic Support). NavShips points out that the Department of Commerce had not as yet issued a directive as requested by CNM. NavShips tells Admiral Arnold that the excessive delays while the Department of Commerce is corresponding on this matter is jeopardizing the project schedule. Admiral Arnold calls Mr. Borum (Administrator, BDSA, Department of Commerce). Mr. Borum states that he has disqualified himself from this particular case since he was formerly employed by General Electric. Mr. Borum states that Mr. Bertsch (BDSA, Department of Commerce), who was now handling this matter, was out but Mr. A. U. Sufrin, Acting Assistant Administrator, Industrial Mobilization, Business and Defense Services Administration (BDSA), Department of Commerce, should be able to help. Shortly thereafter, Mr. Sufrin calls Admiral Arnold and states that the Department of Commerce has received another letter from General Electric refusing to accept a rated order for this work. Mr. Sufrin states that he has asked General Electric for more details in defense of their position. He agrees to provide Admiral Arnold with a copy of the latest General Electric letter. Admiral Arnold concludes the meeting with NavShips by stating that there is little else CNM can do but wait for the Department of Commerce.

*May 12, 1967.*—The Department of Commerce, in a letter from Mr. Sufrin (BDSA, Department of Commerce) to Admiral Arnold (Deputy CNM, Logistics Support), forwards to CNM a copy of the May 10, 1967, General Electric letter and states that the Department of Commerce has requested General Electric to provide more detailed information regarding the statements made in the letter.

*May 15, 1967.*—General Electric, in a letter from Mr. Hill (GE, M.S.T.G. & G. manager) to Mr. Bertsch (BDSA, Department of Commerce), provides more detailed information concerning their refusal to bid and the statements made in the May 10, 1967, letter from Mr. Hill to Mr. Bertsch. This letter states that