

Mr. ROBACK. What have we gained in the new series or the new launchers, Mr. Morgan?

Mr. MORGAN. Primarily we gained by being able to handle the new warhead and fuses.

We had to lengthen the launcher to accommodate this new weapon. There were internal details that are improvements. There is a new safety switch, there is a new shock pan assembly that reduced cost.

Mr. LUMAN. Were these variations to which launcher are we talking about?

Mr. MORGAN. To the 3A/A.

Mr. LUMAN. The 3A/A is one the Government owns data on?

Mr. MORGAN. Pardon me?

Mr. LUMAN. The 3A/A is one the Government owns data on?

Mr. MORGAN. Yes.

Mr. LUMAN. Now how does it come about that the contractor makes these changes to accommodate your rocket and you do not have an agreement to pay him for the changes?

Consequently, after he makes the changes, then it is a proprietary item? Why did you not negotiate with him and say, "Look, this is what has to be done, you do it and we will pay you the money and you give us the drawings"?

Mr. MORGAN. That is what we have been attempting to do. We have not reached agreement as yet. We are in an urgent need to acquire this capability to hold the new warhead, and we built the rocket launchers quickly and tested them, and have been negotiating for the acquisition of data since.

Mr. LUMAN. He did the work before there was any understanding about how it would be paid for, or if or when?

Mr. MORGAN. Yes, that is correct. He did the R. & D. on his own.

Mr. DAHLIN. Just offhand, why did you not put those changes out to China Lake rather than having them do work from scratch with other contractors?

Mr. MORGAN. We have an effort going at China Lake.

Mr. DAHLIN. I understand that. I said why did you not undertake, instead of letting the contractor develop a whole new supposed model, undertake these specific changes, give them to China Lake, have those improvements done there and have the Government data package?

Mr. MORGAN. It is a matter of time and funding.

Mr. DAHLIN. Is there any one specifically assigned to do that?

Mr. MORGAN. Yes.

Mr. DAHLIN. Whose office is responsible?

Mr. MORGAN. We have it approved at China Lake that does launcher work for us.

Mr. DAHLIN. You had a similar chance I suppose with the Air Force LAU-59 which is a whole new model that has been now converted over—in production at least—to the Air Force requirements, going on the LAU-59. There is no Government data package at all, I take it, for the LAU-59 either. They are in the same position, or you have got them in the same position as on your 60 series; is that the case?

Mr. MORGAN. Yes, I believe so.

(The following information was furnished:)

*Question. Explain our failure to acquire data on the contractors' "improvement" in connection with the fiscal year 1967 procurement.*