

They produce others too, but you are speaking of the 158.

Mr. ROBACK. What does the unit price run for a metal launcher in the Navy type, getting some rough comparisons here?

General ANDERSON. The Navy would have to respond to that.

Mr. ROBACK. The LAU-59 is about \$330, so it is in the same general ball park here.

What is the explanation for these increases in the unit costs?

General ANDERSON. The first increase was with Brown Engineering, Mr. Roback, which was a sole source procurement under the emergency provisions, for \$568. We went to them sole source because they were the second low bidder in the procurement that you see directly above the other two procurements.

They also were familiar with the launcher, having bid on it, had the capacity to produce, and offered a very accelerated schedule.

This contract with them was signed the 20th of November in 1967, and they produced on schedule in the following February, very fast accelerated production.

Mr. ROBACK. You are trading off your competition now for a high premium price.

General ANDERSON. In that case we did.

Mr. HOLIFIELD. Because of the urgency of need?

General ANDERSON. Because of the urgency.

Mr. HOLIFIELD. Of additional need?

General ANDERSON. These were particularly required on the XM-21 system.

Mr. HOLIFIELD. Does this include their tooling up?

General ANDERSON. Yes.

Mr. HOLIFIELD. And the engineering?

General ANDERSON. Yes, sir; it did.

Mr. ROBACK. Maybe this is the time you should have stuck with Chromcraft until the urgency was abated, you see. You would have saved yourself a little money and put the competition next year. You have to relate these two.

General ANDERSON. I will relate them for you.

Mr. ROBACK. All right.

General ANDERSON. I believe it was June when Chromcraft was put on the debarred list.

Mr. ROBACK. I see.

General ANDERSON. June of 1967. This next procurement was in November of 1967, and we were not inclined to go to Chromcraft under those conditions when we had a technical data package and could secure it from somebody else.

Mr. HOLIFIELD. And because this price runs this high—

General ANDERSON. Yes, sir.

Mr. ROBACK. And it is high?

General ANDERSON. Yes.

Mr. HOLIFIELD. And getting started it does not mean it is going to continue at that rate, does it?

General ANDERSON. This is the only contract they have, Mr. Chairman, and it is higher than we would like but the price was negotiated under the circumstances of acceleration and their consequent ability to meet that acceleration.