minus 528, minus 579; does that mean that the SST market, as calculated by the Institute for Defense Analysis, would not have been economically viable even with a 5-percent discount rate for the SST?

Mr. LYNN. That means that under the recoupment formulas that the Government has decided upon to regain the cash value of its investment, it would end up in a negative position at the end of the period under consideration.

Chairman PROXMIRE. What was that period?

Mr. LYNN. To 1990. If the IDA market estimates are accepted, the Government would end up in a negative position and the size of it would depend on which discount rate you chose to use.

Chairman PROXMIRE. Even if you take the FAA analysis, which is about as biased as you can get, if you apply the 10-percent discount rate, which would seem under these circumstances—and if I have ever seen a risky investment, believe me this is it, from the technological standpoint and all other kinds of standpoints—you would end up in a negative position even by 1990; is that correct?

Mr. LYNN. That is correct.

Chairman PROXMIRE. Negative what, minus $239 million?

Mr. LYNN. That is the negative present value at 10 percent?

Chairman PROXMIRE. Yes. If you adopt the 15 percent, which would be much more appropriate, it would be $421 million out of the taxpayers' pocket.

Mr. LYNN. That is correct.

Chairman PROXMIRE. The break-even point is 6.85 percent?

Mr. LYNN. Yes, sir.

Chairman PROXMIRE. I take it it would be pretty hard to justify a break-even point of 6.85 percent for something like the SST.

Mr. LYNN. I might add that the estimates here assume that all of the costs of the program prior to fiscal 1969 are counted as sunk costs. Our calculations here look only at those outlays we would have to undertake beginning with the next fiscal year.

Chairman PROXMIRE. In other words, you are not even including those costs?

Mr. LYNN. No, sir.

Chairman PROXMIRE. Brother, they are sunk.

Well, thank you, gentlemen, very, very much. This has been, I think, a fitting climax to our hearings. Perhaps I should not have brought the last item up. But you have done a fine job. We appreciate it. You have given us some examples which I think we are very much indebted to you for.

I would like to state at this point that additional materials and statements will be included in the appendix, as is our usual custom.

The committee will stand adjourned.

(Thereupon, at 11:55 a.m. the hearings in the above matter were concluded.)