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PRO-F-5

14 JUL 1971
BYE-6465-71
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MEMORANDUM FOR: Dr. Naka

        Yesterday, when I was reviewing the cost numbers
given to the principles before the last EXCOM for the
various options they were to consider, I found a substantial
error in the "Mix 4" EOI cost presentation which I would
like to bring to your attention.

        In the paper you distributed, the EOI cost numbers for
Mix 1 and Mix 4 were as follows:

	FY71	72	73	74	75	76	77	Total
Mix 1 (EOI-75								
Mix 4 (EOI-76)								

Although the detail costs of the stretched out schedule have
not been fully defined as yet, it is clear that the EOI costs
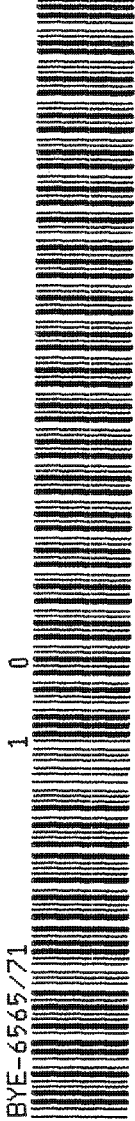for Mix 4 should have been given about as follows:

	FY71	72	73	74	75	76	77	Total
Mix 1 (EOI-75								
Mix 4 (EOI-76								

The effect of this correction is to show that the cost of
adding FROG and delaying EOI availability to 1976 is almost
[   ] more than the principles were assuming when they made
their decision.

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10 7-14-002

   As a separate matter, it would also seem appropriate
to change the GAMBIT/HEXAGON launch projections in Mix 4
to comply with COMIREX's recent letter to you on this
subject.

   The cost projections distributed before the meeting
assumed that FROG could replace five GAMBITs in FY 75, 76
and 77 and that HEXAGON launches could be reduced from
3 to 2 when FROG and EOI came along. I believe the COMIREX
letter makes it clear that these assumptions cannot be made
at this time. A correction to add 5 GAMBITs and 1 HEXAGON
to Mix 4 would make Mix 4 another [   ] or so more costly
than was assumed by the EXCOM at their last meeting.

   Making all these corrections, the cost projections
would show that the effect of adding FROG and delaying EOI
to 1976 would be an increase in NRP cost by [   ]
through FY 77 rather than the [   ] assumed by the EXCOM
principles at the last meeting.

   I believe it is important to make the EXCOM members
aware of these changes before the next meeting.

                    Donald H. Steininger
                    Assistant Deputy Director
                           for
                    Science and Technology

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