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DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330



OFFICE OF THE ASSISTANT SECRETARY

June 5, 1973

MEMORANDUM FOR [REDACTED]

SUBJECT: MOL Status

There are only three open contracts on MOL. They are the Aerojet, McDonnell Douglas - St. Louis, and United Technology Corporation contracts. The Aerojet contract has three small claims outstanding totalling \$9,888 with funds on contract to fund the claims if they are granted. The McDonnell Douglas reservations total \$771,569 and consist of a subcontract dispute and California Franchise Tax. Sufficient funds are on contract to cover the claims if granted.

The main contract in dispute is the UTC contract. Funds on contract total \$51,000,000 to cover the contractor's claim even though the Terminating Contract Officer's estimate is \$46,200,000. There are several areas of dispute as to whether certain costs should be charged to MOL Termination, charged to the then on-going TIII effort, or to neither. The largest amount in dispute is the amount of fee. UTC is claiming the total fee although only about half of the work was performed prior to termination. Mr. Wm S. Merrill, Armed Forces Board of Contract Appeals at Wright Patterson AFB, informs me there is to be a meeting at AFSC Headquarters tomorrow and Thursday (June 6 and 7) with contractor personnel in an effort to resolve the differences. If this effort is unsuccessful the dispute will go to trial. The trial would not be held until the first part of calendar year 1974.

Personnel who have participated in the MOL termination efforts are:

Mr. Tom Rutter	SAFSP	643-1963
Mr. Bob Best	SAMSO	643-2326
Mr. William Merrill	AFLC JAB	53204

All other MOL effort has been completed.

Norbert J. Walecka
NORBERT J. WALECKA
Lt Colonel USAF

cc: Lt Col Hofmann

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