

T.I. Problem Status

OSA - 3407-66

17 August 1966

Subject: Contract AF33(657)-12846, Follow-on [] Procurement 25X1A
Status of System Control Logic (SCL's) Thereunder

Reference: Letter of Authorization dated 11 August 1966

Dear Chuck:

This letter will serve to acknowledge receipt of the subject correspondence authorizing the procurement of one (1) additional SCL (Spare Parts List #49 under the subject contract has been reserved for the procurement of said unit identified to Serial #11) and additionally advise of the current status of the delivered SCL's insofar as the "Black Plague" problem is concerned.

The following points are significant as of this date:

1. Pending a settlement of responsibility [] agreed in early May 1966 to implement manufacture of new SCN's and cards, using the Minuteman approved gold/moly/gold bonding process which has an excellent reliability history. 25X1A

2. Consequent to 1 above it is expected that retrofitting of the SCL's will begin during September and be completed by the end of calendar year 1966.

3. [] has recently accepted this Contractor's basic proposal for settlement of the liability for defective SCN's (gold/aluminum bonded semiconductor networks), in that they have agreed to assume the financial responsibility for retrofitting the SCN's manufactured between June 7, 1965 and November 16, 1965. (This includes about half of the SCN's in Serial #5, all of #6, #7, part of #9 and #10, and spares estimated at a value of about [] 25X1A

4. The quality of the SCN's in Serial #3, #4 and part of #5 remains in question. TI has stated same are not defective and will meet overall MTBF requirements. This Contractor has, however, taken the position that the foregoing must be proven and a 1000 hour test of Serial #4 has been suggested, and agreed upon. Details of the test are presently being resolved - generally along the following guidelines:

a. If #4 fails the test, [] will pay for the additional SCN's and the actual costs of running the test. 25X1A

b. If #4 passes the test, this Contractor will be obligated to pay for the extra SCN's (valued at about [] whether or not they are retrofitted in #3 and #4 in that this Contractor previously authorized the manufacture of SCN's and preparation of retrofit cards for #3, #4, and 25X1A

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part of #5 in order to protect program schedules and assure the best possible reliability to the user.

5. Presuming Serial #4 does pass the above 1000 hour life test, and at present this Contractor is not confident it will, the residual SCN's will be utilized as follows:
 - a. Diverted for utilization in Serial #11 at an estimated transfer value of \$125,000, and
 - b. Diverted for utilization as spare parts for any of the eight (8) operational units.

It is this Contractor's judgement that the foregoing points constitute a plan which offers maximum assurance of highest reliability in SCL performance at minimal overall cost to the program.

In the event additional information is required, please contact the undersigned.

Regards,



Jim

STATINTL

cc: SPO