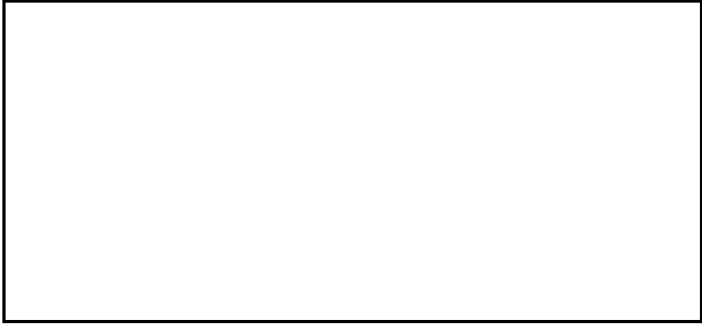




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3 August 1967



Gentlemen:

This letter is in reference to your 9 June 1967 correspondence which returned to  the following unpaid invoices:

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| <u>Invoice No.</u> | <u>Dated</u> |
|--------------------|--------------|
| 7                  | 10/8/66      |
| 9                  | 12/19/66     |
| 10                 | 1/24/67      |
| 11                 | 2/8/67       |
| 12                 | 3/10/67      |



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The cumulative amount of  per Invoice No. 12, dated 10 March 1967, was the total estimated cost of Phase I in accordance with billing rates in effect at that time.

However, the application of final negotiated rates for 1965 and revised interim billing rates for 1966 and 1967 results in a total estimated Phase I cost of . The attached schedule reflects these rates, all of which have been approved by the resident DCAA auditor, and also supports the  amount by year and by element of cost.

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Our letter of 14 February 1967 presented a Phase I Cost Status Report as of 27 January 1967. The direct costs in that report, plus minor February costs, can be compared to the direct costs in Invoice No. 12. Additional labor in the amount  was incurred in February and travel costs  in connection with a trip to your facility on 20 January 1967, were recorded in February. The addition of these items to the amounts in the Cost Status Report enables one to make a reconciliation between the Report and Invoice No. 12.

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Since delivery of the Phase I Report on 8 December 1965, discussions and meetings between  and representatives from your office led to additional technical investigation and studies. Some of the supplementary reports which were submitted as a result of these meetings are listed below:

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**GROUP 1**

Excluded from automatic downgrading and declassification

**CONFIDENTIAL**

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18 U.S.C., SECTIONS 793 AND 794. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

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April 1966, Supplement to [ ] Interim Report  
August 1966, Proposed Change of Scope for Multiple Image  
Integration Study  
October 1966, Design Plan for Phase II - Multiple Image  
Integration Printer.  
January 1967, Summary Report - Multiple Image Integration  
Printer  
March 1967, Proposed Image Correlation Test Programs

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The Image Correlation Test Programs as outlined in the March 1967 document, were reviewed and approved, and Amendment No. 1 to the Contract was issued to authorize [ ] to proceed with work under Phase II.

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It is anticipated that this letter and the attached schedule of Phase I costs will disclose enough information to allow payment of the invoices which are hereby resubmitted. Invoice No. 13, which has been paid, reflects the final negotiated rates for 1965, and subsequent invoices will adjust the 1966 and 1967 costs to the revised interim billing rates.

In the event that you should require additional information, please do not hesitate to contact us. It is suggested that any such inquires be directed

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[ ]

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Very truly yours,

[ ]

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