

LN 239

12 June 1958

DPS/618  
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Subject: Contract OS-100, Overseas Differential

Dear Sir:

A review of the basis on which overseas differential allowances were established indicates that "B" Detachment was expected to operate in an area of greater hardship than the area of operations for "C" Detachment. As a result, the "B" Detachment overseas differential was fixed at \$50.00 per man week as compared with an overseas differential of \$35.00 per man week for "C" Detachment.

Subsequent to the agreements reached at that time which have been incorporated in the contract price structure and in the individual agreements of employment, personnel of "C" Detachment have been deployed to a staging area or areas which are believed to be areas of equal hardship to the areas of "B" Detachment operations.

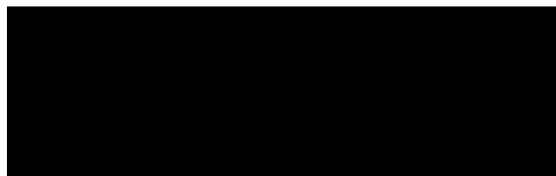
The disparity in overseas differential between the detachments is creating morale problems among "C" Detachment personnel in staging operations. The contractor therefore recommends that the "C" Detachment staging area or areas be reclassified as to hardships and that contractor personnel assigned to such areas be eligible for overseas differential at a rate of \$50.00 per man week or \$7.00 per man day while on staging operations.

The contractor further recommends that the proposed reclassification be retroactive to initial deployment to the staging area. It is estimated that the additional cost through 30 June 1958 will be less than \$2,000.00. Sufficient funds are available in the contract to permit this retroactive adjustment.

Your approval is requested.

Very truly yours,

HYCON MFG. COMPANY



Contract Administrator

BJW/pe