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Copy 7 of 9

5 October 1962

MEMORANDUM FOR : Deputy Director (Research)

SUBJECT : Conflict between System IX Upgrading and C-123 [   ] 25X1
Program

1.   We are in a bind in regard to being able to deliver on the upgraded System IX capability by virtue of the fact that ATI is unable to take care of our requirement in a timely fashion and still serve the important needs of the C-123 [   ] conversion now ongoing at Lockheed. ATI's estimate is that it will be seven months from 1 October before the stepped-up System IX can be delivered, unless a reallocation of priorities occurs with the 123 effort that they are also servicing.

2.   If they were to be given a green light by us on System IX at the expense of the C-123 effort, they could produce System IX for us in four and one-half months with a [   ] or three and one-half months without [   ] You will recall that we had planned to step up System IX from a 2 Watt to a 10 Watt output in this upgrading period.

3.   I have asked the question, "What penalty would the C-123 program suffer if we put System IX ahead of the program at ATI?" The answer to this is that the probable delay on the 123 program would be on the order of five to six weeks across the entire program. Two to four weeks of this time is attributable to the delay in producing the equipment handbooks which must be written by the same engineers now working on the C-123 who would be put to work on System IX.

4.   As a further explanation, I should point out that the System IX times mentioned above are for the production of the initial two units only. Under any scheme they would follow in production at the rate of one per month after the first two units. I realize that we have stepped on DD/P's toes with the same supplier in the [   ] program within recent weeks.

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among others, informed of what is going on in that country. While I plan to 25X1A
mention this matter to DD/P on 10 October in an [   ] meeting. I would
like to be able to count on your backing if the issue cannot be resolved in the
initial discussion on the subject.

JAMES A. CUNNINGHAM, JR.
Deputy Assistant Director
(Special Activities)

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