

Dec. 20, 1974

Dear Sebastian,

I am sending you the section on cost estimate. It is not in a complete form and I am still working on it. I considered, cost wise, the antenna can be separated into three items : 1) All structure parts and drive systems, 2) Control computer and 3) Surface plates and adjustment screws. The first part was done in detail. The second part is to be furnished by Bob Burns, and he told me to-day verbally that his figure would be around \$200K. At this moment we don't have a very solid figure on the surface plates. Philco-Ford quoted a price of 56 \$/s.f. and due to cost escalation and inflation, Peery thought that we should use a figure of 110 \$/s.f.. With 5,845 s.f. surface area, the cost for the plates is \$643K. There are 2,112 adjustment screws, with a cost of \$50/unit, the cost for the adjustment screws is \$106⁶K, and the total cost for the third item is \$824K. This is about one third of the cost for the antenna.

1) All struct, parts & drive	\$1715.4K
2) On-line computer	\$ 200.0K
3) Surface (\$748+10%)	\$ 823.5K
Total ---	\$2738.9K
+15% conti.	\$3149.7K (1972)

What kind of escalation factor we should use is a little beyond me. So I used three different ones for comparision :

Rate	1974	1977	} million \$
10%	3.8	5.1	
12%	3.9	5.5	
15%	4.2	6.3	

The figures I have are quite close with that of the German 30-m. That made me feel more confident about it. As you would see in the detail, the cost of engineering design and construction are part of the estimate. But site developement, electronic and radome are excluded.

I wonder how possible it is to offer them our design. I would say that we are ready for detail engineering design. For this we are about one year ahead.

We are going to send you the proposal for your comments very soon. I understand that the cut-off date is Jan. 15 and should be in a very dignifying form by the middle of Feb.

Brigitte and I wish you and your entire family a very merry ^hCristmas and a happy new year. We heard a lot about the weather condition over there, but I am pretty sure you can make it up with all those good Ger^aman wine.

Many Greetings