

of the number of aircraft firmly ordered from 102 to 84 i.e. establishing a reserve of 18%, among other things to provide for a possible over-run of the F. 16. Program due to its uncertainties. This may not be adequate to cater for all the unknowns in the fields of technology, industry, finance and currency. We will in this respect, provide as an appendix hereto a tabulation showing the *systematic* budgetary over-run of all US military Programs.

On the contrary, in the case of the Fl. E, there is no necessity to split the order and the Air Forces are certain to obtain all the aircraft they have budgeted for since,

- All prices are fixed and firm,
- Prices are totally un-sensitive to quantities and quantity reductions,
- French escalation are limited by a *ceiling fixed* and low (6.3% per year),
- All the above conditions are underwritten by the French Government.

IN THE CASE OF THE Fl. E, THERE IS NO RISK OF BUDGETARY OVER-RUN.

*Section 3. — Weapon System operating costs.*

The "Yellow Book" concludes in the superiority of the F. 16 on the basis of an analysis of the costs of fuel and some general considerations on the maintenance/overhaul projected costs. (Page 24).

We claim that is ill founded and biased.

a) *Ill-founded since,*

- (i) The Royal Netherlands Air Force specialists have not been able to express the operating and maintenance/overhaul procedures to be applied to the new Weapon System and, naturally, the operating costs are directly dependant upon those.
- (ii) The F. 16 evaluation is based upon US theoretical analyses, directly in line with US type maintenance requiring the organizational structures of the USAF.
- (iii) The US theoretical evaluations of operating costs are, by US recognition, considered as unreliable for Weapon System selection (refer to GAO Report of Dec. 1974 requesting congressional action to obtain from USAF reliable oper-

ating cost data for Weapon System selection purposes).

- (iv) The fuel consumption figures are supposed to be computed or detailed bases. However, those bases are not known and are not supported by an expressed mission profile spectrum.

b) *Biased.*

Since all general considerations—not justified by any pertinent quantified data, are in favor of the F. 16.

— *Spare parts* expected to be cheaper, in spite of past experience US spare procurement policy.

— *Engine* supposedly cheaper to maintain and overhaul in spite of more sophisticated engine design (two spool/variable vanes high sophistication components of F. 100 against single spool/fixed more conventional military design of the M53 engine).

*Nota.* It is to be recalled that there is very little industrial "learning" in engine part production and that quantities of engines have little effect on engine spare part production.

— *Airframe* in spite of unknowns on "fly by wire" maintenance, lack of experience on composite materials and question mark on the general fatigue aspects; those features are fully proven in Fl. E airframe and *Systems*.

It is our contention that the Fl. E shall be cheaper to operate than the F. 16 by some 20% because of,

- Simple and more conventional designed,
- Rugged design of engine adapted to military type of operation.
- Adaptation to European environment and military and industrial qualification.
- Shorter communications.
- Better fatigue resistance.

We recognize that only the future will demonstrate the validity of our statement but were challenge any one to demonstrate that it is not founded.

Experience has repeatedly demonstrated this and a comparison between NF. 5 and MIRAGE 5B operating cost would be quite demonstrative—even taking into account the lower cost of the 20 mm ammo as com-