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USATSARCOM TECHNICAL REPORT 77-4

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HISTORICAL INFLATION PROGRAM

(A COMPUTERIZED PROGRAM GENERATING HISTORICAL INFLATION INDICES FOR THE PROCUREMENT OF ARMY AIRCRAFT)

WARREN H. GILLE, JR.

FINAL REPORT

JANUARY 1978

U.S. ARMY TROOP SUPPORT
AND AVIATION MATERIEL
READINESS COMMAND
COMPTROLLER
COST ANALYSIS DIVISION
4300 GOODFELLOW BLVD.
ST. LOUIS, MISSOURI 63120

DISCLAIMER STATEMENT

The findings of this report are not to be construed as an official Department of the Army position unless so designated by other authorized documents.

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

This report extends and revises Technical Report 76-1B which presents and describes the Historical Inflation Program, a computerized program generating historical inflation indices for the procurement of Army aircraft. The program can be updated monthly, is easily revised for changes in Bureau of Labor Statistics methods, and capable of handling data for all fiscal year formats. Output is expressed as monthly, quarterly, calendar year inflation indices (in Calendar Year 1967 base) and inflation factors (in any Fiscal Year base). This report contains updated tables of inflation factors, expressed in a FY 77 base.

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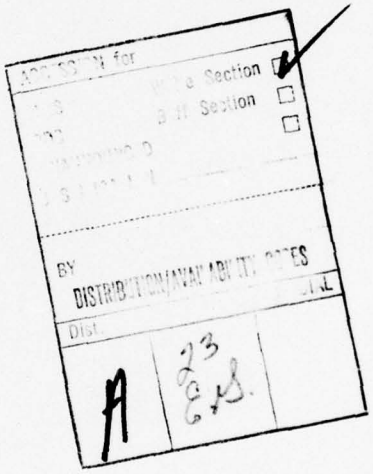
20. ABSTRACT

These indices and factors provide a means of adjusting historical cost data for the procurement of Army aircraft to constant year dollars. Additional features include: computations for the Derivation of Revised Weighting Factors, detailed indices enabling the adjustment of historical Labor and Material cost separately, a discussion of aggregate weighting factors for Labor and Materials, including trends from sensitivity analysis, and a more complete explanation, and additional documentation, aimed at making the report more useful to a larger cross section of the DOD community.



ACKNOWLEDGEMENTS

The author extends his appreciation to Mr. Jim Vogel of TSARCOM Cost Analysis Division for his assistance with data processing, and to Mr. Gene Farnsworth, Economist, Kansas City Regional Office of the Bureau of Labor Statistics, for special assistance with wage and price data.

Much credit is due Mr. Ralph W. Lilge, USATARADCOM who played a primary role in computerizing the Historical Inflation Report in 1975, and to Mr. Gerald Dockins, USAAVRADCOM, for developing the research for Material Content of U.S. Army Helicopters, in 1973, important background upon which this series is based.

Miss Anne Kondracki, Miss Mary Mager, and Miss Paula Smith not only provided excellent clerical support, but also even smiled occasionally amidst all the problems and hard work.

TABLE OF CONTENTS

I. APPLICABILITY. The inflation indices and factors published in this report are applicable to the adjustment of historical costs for the procurement of Army aircraft. These costs are currently funded by the Aircraft Procurement, Army appropriation.

II. AN OVERVIEW OF THE HISTORICAL INFLATION PROGRAM.

A. History.

The Historical Inflation Program for Army aircraft procurement was developed using a sequence of documents, the first being Aerospace Price Indices, by H. G. Campbell (RAND #R-568-PR, 12/70). Essentially, the RAND document established a basis for the construction of general indices, identified items of special interest and concern, and indicated that no substitute exists for thorough analysis of the specific items being characterized by an historical index. Several indices, designed specifically for rotary wing aircraft, have been developed for the adjustment of procurement cost since that time by the United States Army Aviation Systems Command, and this function has been carried over to the Aircraft Analysis Branch, Cost Analysis Division, Office of the Comptroller, USATSARCOM.

The current indices are based on research done in the period 1972 to date. In June 1973, the Office of the Comptroller, Cost Analysis Division, made a study of materials used in the Army helicopter systems then, or most recently, in production. Cost Information Reports were assembled, and contractors were requested to supply lists of materials for both airframe and engine, on the basis of contribution to weight. Contractor technical and engineering personnel provided assistance with data interpretation and definitions for those items whose composition was unclear from engineering documents and Detailed Weight Statements.

The following aircraft were selected:

UH-1H	OH-6A	AH-1G
CH-47C	OH-58A	CH-54B

These are currently deemed typical, for several reasons. First, the time period June 1973 is the center of the 1969-1977 range. Second, a number of these aircraft had been produced on a long term, continuing basis in previous versions. And, most important, they are among the systems most likely to be used in developing Cost Estimating Relationships for new systems by use of parametric techniques.

The September 1973 Historical Inflation Cost Research Report, cited in the references, was the first report to make full use of this information. It was updated by the August 1974 Cost Research Report, and then by a series of expanded analyses under current title, Historical Inflation Program, since that time. A list of the assumptions and changes in methodology over the period referenced are included in the body of the Technical Section.

B. Construction of Indices - Methodology.

The indices are developed by a stepwise, building process, which computes the contributions to cost on a weighted value-added basis.

1. First, the contribution to cost of small parts and other purchased equipment is calculated.

2. Next, this cost contribution of purchased parts is combined with that of raw materials to get the cost of purchased materials.

3. Purchased material cost is then combined with contractor

labor cost to compute the index for products such as engine or airframe.

4. The indices for engine, airframe, and avionics are combined to get an overall index for aggregate aircraft.

C. Indexing Technique.

The procedure used is "Cost-Weighting". The information obtained from 1973 research on "helicopter materials" established percentages based on weight. Because the indices used to track material costs are based on monetary considerations, (e.g., Wholesale Price Index; Wages, by Standard Industrial Code), percentages by weight had to be transformed into percentage contributions to cost, if WPI and SIC inflation factors were to be applied directly. Based on the premise of profit maximization, contractors should tend to minimize the use of expensive materials subject to maintaining acceptable performance standards; essentially, materials with a high cost per unit weight ratio would be used sparingly. Adjusting a percentage based on weight using a monetary index would not only result in an improper index initially, but also one with diminishing reliability. The latter bias is avoided by calculating the contribution to cost, instead of merely the contribution to weight.

D. Weighting Factors. Although the model is developed by an iterative, stepwise process, the revised weighting factors in the table (at the end of Appendix B) implicitly include all calculations. The index, as stated, is merely the direct sum of

the products of the weights and their corresponding material index values. The development of weighting factors is illustrated in the Technical Section.

E. Data. The data used appear in two different forms. Yearly data are presented by Calendar Year 1947 to date, and monthly data for 1967 to date. The yearly data, pre 1958, are condensed into three columns; the data for 1958 and later are presented in an 18 column format - 14 columns for material inputs, and 4 for labor. Beginning with report 76-1B, all columns of the data set will be identified by WPI and SIC code, as well as a verbal description in the column heading. PLEASE NOTE: The data, their characterization, and any redefinition, by the Bureau of Labor Statistics over the years, are tracked in line diagram C-2.

F. Validity and Firmness of Data.

The Wholesale Price Index and Wage Data was supplied by the Kansas City Regional Office of the Bureau of Labor Statistics, U.S. Department of Labor. The data comes in three types of published form: (1) a cumulative history covering all relevant past years on a monthly basis, (2) A yearly edition (such as Wage and Price Index Annual Supplement) which lists the previous 12 months, and (3), monthly publications which list the most current month and several other months for comparison.

For data to be "firm" it must be at least 18 months old, in most cases, because it is benchmarked and adjusted after the fact. For example, small samples are taken throughout the year; however, during one month (the benchmark month), a much more comprehensive

sample is taken. Due to its significantly larger sample size, the benchmark month's sample is felt to be more representative than those of other individual months, and if the benchmark diverges from the pattern, the other months are adjusted proportionately to conform to its base as benchmark.

The data in the cumulative history 'type' publication is felt to be firm or "final". Basically, such publications provide a chronological listing of all firm data available for the past history of those indices. However, the data in such publications is usually 18 to 24 months behind the current period. The data for each month listed in the Annual Supplements is not necessarily firm because benchmarks occur during the Calendar Year, and at different times for different series. Adjustments may not have been made before the Annual Supplements are published. The monthly publications which contain information on the most current periods, are even more tentative. In general, the Wholesale Price Index Data are firm before Wage Indices for the corresponding month, probably due to the fact that it is easier to define and measure price changes for commodities than for human skills.

G. Particular Problems.

1. The Wage Data during the period CY 1971 - CY 1973 has changed, in many cases, over the past 24 months. The wage-price freeze disallowed certain salary and wage increases, but a number of these were awarded on a retroactive basis based on legal decisions rendered several years after the fact. Since such payments involved costs directly attributable to labor services, that

component had to be included in the indices to get a meaningful measure of labor earnings.*

2. Possible discrepancies, such as the Engine Production Labor Value (SIC 3722) for Dec 75, were reviewed with BLS personnel and verified to be as stated. All data was verified to be the latest and most accurate available, according to information provided by BLS personnel on 28 December 1977.

H. Change in Content from the Previous Reports.

The printout of the computer program compilation used for the Historical Inflation Program is not included in this report, for two reasons. First, it was found that a list of structural equations would better serve the purpose of elucidating the model. At the same time, with the reduced form equations and clearly identifiable data sets, any index figure can be checked by direct calculation (See Appendix B, page B-4). Second, direct duplication of the deck from the original is more accurate and efficient than keypunching copies from the program source listing, should such an external need ever realistically develop.

A sensitivity analysis, which displays the effects resulting from a change in the relative weights of labor and material in the Historical Index, has been included in this revision. The percentage contribution to cost attributable to labor and materials varies among aircraft systems, and the values used in this report--.378 (materials) and .622 (labor)--are an average for the six

*See BLS Bulletin No. 1312-10, Employment and Earnings 1909-75 for a detailed explanation (esp. P. 769).

systems referenced. The sensitivity analysis yields a measure of the extent to which the index for a single aircraft system would vary, if that system is built with an aggregate labor/material mix which differs from the six system average. The accuracy of the reweighted index, however, also requires that the other assumptions be well satisfied--i.e., the 14 material and 4 labor indices are typical of the system being reviewed. Because such weighting is a concern in developing estimates in inflated dollars, the effect of such "weighting changes" should be of significant interest to many readers.

TECHNICAL SECTION

III. ANALYSIS: (TECHNICAL SECTION).

A. Chronology. Previous efforts related to the development of inflation indices include Aerospace Price Indexes by H. G. Campbell, RAND Corporation, December 1970 (Reference 1) and two Cost Research Reports: Historical Inflation Indices for Army Aircraft, Cost Analysis Division, Office of the Comptroller, US Army Aviation Systems Command, September 1973 (Reference 3), and Historical Inflation Indices for Army Aircraft, Cost Analysis Division, Office of the Comptroller, US Army Aviation Systems Command, August 1974 (Reference 4).

1. Characteristics of the RAND Report.

a. Specific Wholesale Prices and Price Indexes (Reference 7) and Employment and Earnings (Reference 2) data have been selected as proxy series for similar commodity and labor categories experienced in the procurement of Army aircraft. Aircraft inflation indices are constructed from a weighted average of these proxy series. The weighting factors for this average are derived from estimates of the relative contribution to the total aircraft cost made by each component (commodity or industry labor group) comprising the index. The index is thus a "cost-weighted" series.

b. A 2½ percent compounded annual rate for growth of overhead ratios is assumed.

c. No adjustment is made for productivity increases.

d. Indices are developed on a Calendar Year basis.

2. Characteristics of the September 1973 Cost Research Report.

a. As with the RAND Report, aircraft inflation indices have been constructed from a weighted average of Wholesale Prices and Price Indexes and Employment and Earnings data selected as proxy series for their similarity to those commodities and labor categories experienced in the procurement of Army aircraft. Weighting factors are proportional to the relative physical weights or masses, rather than the relative costs (as in the RAND Report), of commodities comprising the "composite material" portion of the index. Thus, the "composite material" portion of the index represents a "weight-weighted" series.

b. Like the RAND Report, a 2½ percent annual growth in the overhead ratio is assumed.

c. No adjustment is made for productivity increases.

d. Indices are developed on a Calendar Year basis.

e. For years for which certain specified Wholesale Price Indexes were unavailable, data has been projected from adjacent years.

3. Characteristics of the August 1974 Research Report.

a. As before, Wholesale Prices and Price Indexes and Employment and Earnings data have been selected as proxy series most similar to those commodities and labor categories experienced in the procurement of Army aircraft. The indices have been constructed from a weighted average of these proxy series utilizing the weighting factors used in the September 1973 Cost Research Report. The "composite material" portion of the index represents a "weight-weighted" series.

b. Unlike RAND and the September 1973 Cost Research Report, no adjustment for overhead growth is assumed.

c. No adjustment for productivity increases is assumed.

d. Indices have been extended to FY 1974 by assuming that data for the September 1973 Cost Research Report represented December and hence the Fiscal Year midpoint, rather than the annual average, of each calendar year.

e. For years for which certain specified Wholesale Price Indexes were unavailable, data has been projected from adjacent years.

B. Data Sources. Data sources for this report are Wholesale Prices and Price Indexes (reference 7) and Employment and Earnings (reference 2). To insure that the latest revisions were incorporated into the data base, data was obtained from the Bureau of Labor Statistics Information Center, and Annual Supplements to the Wholesale Prices and Price Indexes. For Employment and Earnings, data for any given month was obtained from the latest available source. Data used in this report are displayed in Appendices D, E, G, and H.

C. Methodology.

1. Overhead and Productivity Adjustments. On the basis of data covering a ten year period, the RAND Report concluded that there exists a secular growth trend of 2½ percent per year in the production overhead rate. The report also concludes that there has been little, if any, improvement in productivity to counteract the observed trend in overhead growth. This conclusion appears to be unwarranted, particularly in light of productivity gains recorded (as measured by Industrial Production Indices) for similar sectors of industry. Thus, in order not to unduly bias the results of the analysis, this report makes no adjustment for either overhead growth or improvements in productivity.

2. Revision of Weighting Factors. From a number of Cost Information Reports, the following weighting factors were developed and reported in the September 1973 Cost Research Report. For the Airframe:

(.378) Raw Material + (.622) Labor 3723,9 = Purchased Equipment
(.582) Purchased Equipment + (.418) Raw Material = Total Material
(.378) Total Material + (.622) Labor 3721 = Total Airframe

For the Engine:

(.599) Raw Material + (.401) Labor 3723,9 = Purchased Equipment
(.295) Purchased Equipment + (.705) Raw Material = Total Material
(.599) Total Material + (.401) Labor 3722 = Total Engines

And for Avionics:

(.315) Material + (.685) Labor 3674,9 = Total Avionics

In the previously published indices, the weighting factors used to develop the material portion of the indices were made proportional to the relative physical weights of the various commodities used in the construction of the aircraft. The material portion of these indices thus represent a "weight-weighted" series. In order to be consistent with the intended purposes of an inflation index, the methodology in this program uses index weighting factors proportional to the numerical products obtained from multiplying the relative physical commodity weights by the appropriate base year cost per pound. This yields a "cost-weighted" index giving more weight to such expensive commodities as titanium. Unfortunately, however, price per pound data are not published in Wholesale Prices and Price Indexes for each of the commodities used in contructing the indices. To overcome this difficulty, the per pound price is estimated from the available data of the most closely related commodities. To minimize the

effect from related commodities which have relatively little economic impact, each price per pound estimate has been developed from a weighted average of available data utilizing the Bureau of Labor Statistics 1975 revised relative weights published in the 1975 Annual Supplement to Wholesale Prices and Price Indexes. The available data then constitutes a weighted sample from which a surrogate price per pound is computed for the Wholesale Price series in question. See Appendix A for the Computations for the Derivation of these Revised Weighting Factors, along with their associated cost contribution per pound.

3. Construction of Indices.

a. Calendar Year 1967 has been taken as the base of these indices because this year represents the approximate midpoint of the period (1958-1977) for which the data supports the development of each of the indices, including those which account for avionics. Furthermore, 1967 conforms to the base used by the Bureau of Labor Statistics for Wholesale Price Indexes.

b. Appendix B contains the current Wholesale Price Index series, Earnings series, and the associated weighting factors used in the construction of the indices published in this report. Since some of these series have been in existence for only a limited time, other closely related series have been substituted with appropriate mathematical adjustments to insure continuity of the indices. This technique is considered preferable to the synthesis of data by projection from adjacent years. Appendix C depicts the historical flow and identifies the effective dates of series conversions, for the Wholesale Price Index and Earnings data

used in the development of the indices published in this report.

c. The term "aggregate" has been selected to indicate inflation indices applicable to the combined Airframe and Engine (aggregate Air Vehicle Excluding Avionics) and to the combined Airframe, Engine, and Avionics (Aggregate Air Vehicle Including Avionics) to avoid confusion with the term "composite" as in "composite escalation indices". Aggregate indices are based upon a standard 70-20-10 weighting (see Reference 5) of the Airframe, Engine and Avionics Indices respectively. Aggregate indices are intended for the adjustment of historical cost data for which the distribution of costs for the Airframe, Engine, and Avionics components is unavailable.

d. A new section depicting the raw material portion of the inflation indices is published as Appendix I. It is intended for applications requiring greater accuracy. Appropriate labor indices can be obtained from the Bureau of Labor Statistics Employment and Earnings series (Reference 2) as follows:

Labor Category	SIC Code	Industry
Airframe Contractor	3721	Aircraft
Airframe Subcontractor	3723, 9	Other aircraft parts and equipment
Engine Contractor	3722	Aircraft engines and engine parts
Engine Subcontractor	3723, 9	Other aircraft parts and equipment
Avionics	3674, 9	Other electronic components
Aggregate Air Vehicle Excluding Avionics	372	Aircraft and parts

e. The basic computational methodology is as follows:

(1) For Components : Airframe, Engine, and Avionics.

(a) Calendar Year indices are computed using sum of weighted calendar year labor and material indices.

(b) Fiscal Year indices are computed in a manner similar to Calendar Year, but the yearly fiscal averages are generated from the monthly data.

(c) Quarterly Indices - three months are averaged from monthly data set.

(d) Monthly - direct calculations using monthly data. A weighted average of monthly figures computed in the same manner as calendar year indices.

(2) Aggregate Vehicle.

(a) Aggregate Vehicle without Avionics = $\frac{(.7)\ \text{Airframe} + (.2)\ \text{Engine}}{.9}$

(b) Total Vehicle = .9(Agg. W/o) + (.1) Avionics

$$= (.9)\left[\frac{(.7)\ \text{Airframe} + (.2)\ \text{Engine}}{.9}\right] + (.1)\ \text{Avionics}$$

$$= .70\ \text{Airframe} + .20\ \text{Engine} + .10\ \text{Avionics}$$

(70-20-10) as stated.

(3) Reduced form equations are specified in Appendix B-3.

IV. DESCRIPTION OF COMPUTER PROGRAM AND ASSOCIATED APPENDICES. The Historical Inflation Program is a computerized program for generating historical inflation indices for the procurement of Army aircraft. Appendices D and G contain the annual data used by the program, while the monthly data, commencing July 1967, are in Appendices E and H. Wholesale Price Index and Earnings data in these Appendices have been arrayed into columns with the same numerical code sequence used in Appendix B. Historical inflation indices and factors are published in Appendix F. Fiscal Year, quarterly, and monthly indices have been developed from the appropriate monthly data. A section containing the raw material portion only of these indices is published as Appendix I. The labor portion of these indices may be obtained by applying the methodology described in paragraph III.C. 3. d, to the data contained in Appendices D and E. Appendix J contains a sensitivity analysis which displays the effect on the indices resulting from changing the labor to material ratio, in terms of percentage contribution to cost.

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APPENDIX A

Computations For The Derivation Of Revised Weighting Factors For The Historical Inflation Program

COMPUTATIONS FOR THE DERIVATION OF
REVISED WEIGHTING FACTORS
FOR THE HISTORICAL INFLATION PROGRAM

WPI Code	Commodity[1]	1967 Price Per Pound	Weight[2]	Product[3]	Weighted[4] 1967 Price Per Pound
07	RUBBER AND PLASTIC PRODUCTS				.2376
07 11 01 01	Latex	.2642	.006	.001585	
02	No. 1 Ribbed Smoked Sheets	.1992	.009	.001793	
03	No. 2 Ribbed Smoked Sheets	.1951	.021	.004097	
04	No. 3 Amber Blanket	.1820	.021	.003822	
02 11	Butyl, Regular	.25	.012	.003	
12	Neoprene, GN Type	.41	.020	.008199	
13	Styrene Butadiene, Hot	.2224	.021	.004671	
15	Polybutadiene, Non-Staining	.2476	.009	.002228	
03 21	Whole Tire Reclaim	.113	.009	.001017	
			.128	.030412	
10 13 02 62	SHEETS, C.R., CARBON	.0737			.0737
10 13 02 64	SHEETS, C.R., STAINLESS	.5531			.5531
10 15 01 41	STEEL CASTINGS				
10 15 01 53	CLOSED DIE FORGINGS				.0497
10 15 01 11	Ingot Molds	.0497			
10 22 01 11	LEAD, PIG, COMMON	.14			.14
10 22 01 51	MAGNESIUM, PIG INGOT	.3595			.3595
10 25 01 01	ALUMINUM SHEET	.4185			.4185

WPI Code	Commodity[1]	1967 Price Per Pound	Weight[2]	Product[3]	Weighted[4] 1967 Price Per Pound
10 25 01 13	ROD, SCREW, MACHINE STOCK	.6315			.6315
10 25 01 17	EXTRUSION, SOLID CIRCLE SIZE 4 TO 5				.6315
10 25 01 13	Rod, Screw, Machine Stock	.6315			
10 25 02	COPPER AND BRASS MILL SHAPES				.6216
31	Cartridge Brass Strip, 70-30 Alloy	.6033	.121	.073	
32	Yellow Brass Rod (62-35-3 Alloy)	.4602	.082	.03774	
33	Yellow Brass Tube (70-30 Alloy)	.7841	.048	.03764	
55	Copper Sheet or Strip	.6924	.108	.07478	
			.359	.22316	
10 25 04 63	MONEL SHEET, CR 400 ALLOY	1.3752			1.3752
10 25 05	TITANIUM MILL SHAPES[5]				5.2926
25	Titanium Bar, Ground, 6AL-AV	5.2926			

NOTES: 1. Capitalized and Underlined Commodity Titles indicate WPI Series actually used in the Historical Inflation Program.

2. Weight is Bureau of Labor Statistics Revised Relative Weight for the Wholesale Price Index. Source: 1975 Annual Supplement to Wholesale Prices and Price Indexes.

3. Product = (1967 Price Per Pound) x (Weight).

4. Weighted 1967 Price Per Pound = $\frac{\text{Products}}{\text{Weights}}$

NOTES (Continued):

5. 1967 Titanium Bar Price Per Pound computed by utilizing Titanium Sponge index as surrogate for 1967 - Dec 1970. Titanium Mill Shapes index established December 1970. Titanium Sponge index for December 1970 is 95.5.

Figures may not compute due to rounding.

COMPUTATIONS FOR THE DERIVATION OF
REVISED WEIGHTING FACTORS
FOR THE HISTORICAL INFLATION PROGRAM

WPI Code	Commodity	contrib. to weight Airframe	contrib. to weight Engine	1967 COST Per Pound	contr. to cost per lb. Airframe	contr. to cost per lb. Engine	contr. to cost weighting factors Airframe	contr. to cost weighting factors Engine
07	Rubber and Plastic Products	.17	.012	.2376	.04039	.00285	.0211	.0023
10 13 02 62	Sheets, C.R., Carbon	.055		.0737	.00405		.0021	
10 13 02 64	Sheets, C.R., Stainless		.584	.5531		.32301		.2625
10 15 01 41	Steel Castings	.22		.0497	.01093		.0057	
10 15 01 53	Closed Die Forgings		.146	.0497		.00725		.0059
10 22 01 11	Lead, Pig, Common	.01		.14	.0014		.0007	
10 22 01 51	Magnesium, Pig Ingot	.033	.077	.3595	.01186	.02768	.0062	.0225
10 25 01 01	Aluminum Sheet	.256	.021	.4185	.10715	.00879	.0560	.0071
10 25 01 13	Rod, Screw, Machine Stock	.043	.004	.6315	.02715	.00253	.0142	.0021
10 25 01 17	Extrusion, Solid Circle Size 4 to 5	.128	.01	.6315	.08083	.00632	.0422	.0051
10 25 02	Copper and Brass Mill Shapes	.049	.005	.6216	.03046	.00311	.0159	.0025
10 25 04 63	Monel Sheet, CR 400 Alloy	.011	.122	1.3752	.01513	.16777	.0079	.1364
10 25 05	Titanium Mill Shapes	.025	.019	5.2926	.13231	.10056	.0691	.0817
		1.000	1.000		.46167	.64986	.2411	.5281

NOTE: Revised Weighting Factors Proportional to Cost Contribution Per Pound.
Previous Weighting Factors expressed as a proportion of "composite material" index.
Revised Weighting Factors expressed as a proportion of the total index.
Previous Technical Report (TR 76-1) omitted nickel component (represented by Monel Sheet) from Engine index.

COMPUTATIONAL
FORMULA

$$\left[\begin{array}{c}\text{CONTRIBUTION TO WEIGHT :}\\ \text{PREVIOUS WEIGHTING FACTORS}\end{array}\right] \times \left[\begin{array}{c}1967\ \text{COST}\\ \text{PER LB.}\end{array}\right] \times \left[\begin{array}{c}\text{ADJUSTMENT FACTOR}\\ \text{FOR}\\ \text{(RELATIVE IMPORTANCE}\\ \text{OF MATERIAL (RAW)}\\ \text{IN OVERALL INDEX)}\end{array}\right] = \left[\begin{array}{c}\text{RAW MATERIAL}\\ \text{CONTRIBUTION TO COST}\\ \\ \text{WEIGHTING FACTORS.}\end{array}\right]$$

APPENDIX B

Wholesale Price Indexes And Earnings Series Used In Historical Inflation Program With Revised Weighting Factors

WHOLESALE PRICE INDEXES AND EARNINGS SERIES
USED IN HISTORICAL INFLATION PROGRAM AND
REVISED WEIGHTING FACTORS

Var	WPI Code	Commodity	Airframe	Engine	Avionics	Remarks
(1)	07	Rubber and Plastic Products	.0211	.0023		
(2)	10 13 02 62 .04	Sheets, C.R., Carbon	.0021			
(3)	10 13 02 64	Sheets, C.R., Stainless		.2625		
(4)	10 15 01 41 .05	Steel Castings	.0057			
(5)	10 15 01 53 .06	Closed Die Forgings		.0059		
(6)	10 22 01 11	Lead, Pig, Common	.0007			
(7)	10 22 01 51	Magnesium, Pig Ingot	.0062	.0225		
(8)	10 25 01 01 .02	Aluminum Sheet	.0560	.0071		
(9)	10 25 01 13	Rod, Screw, Machine Stock	.0142	.0021		
(10)	10 25 01 17 .02	Extrusion, Solid Circle Size 4 to 5	.0422	.0051		
(11)	10 25 02	Copper and Brass Mill Shapes	.0159	.0025		
(12)	10 25 04 63	Monel Sheet, CR 400 Alloy **	.0079	.1364		
(13)	10 25 05	Titanium Mill Shapes	.0691	.0817		
(14)	11 78	Electronic Components			.3150	
	SIC Code	Industry				
(15)	3674,9	Other Electronic Components			.6850	
(16)	3721	Aircraft	.6220			
(17)	3722	Aircraft Engines and Engine Parts		.4010		
(18)	3723,9	Other Aircraft Parts and Equipment	.1369	.0709		
			1.0000	1.0000	1.0000	

** MONEL METAL
Previous Technical Report
(TR 76-1) omitted nickel
component from Engine Index
Multiply Dec 70 Based Index
by .955 to convert to 67 Base

COMPUTATIONAL FORMULAS : Labor Cost Indexes

The data concerning cost of labor services is supplied by the Bureau of Labor Statistics, as hourly wage rates by Standard Industry Codes, and is reported on a regular basis in Employment and Earnings. Because the material indices are percentages, and wages are expressed in dollars/hour, labor cost must be converted to a percentage (index) before calculations can be made. The dollar to percentage conversions for the labor categories are made as follows:

	SIC Code	Industry						
(15)	3674,9	Other Electronic Components	Current Hr. Wage	÷	2.34	X	100% =	INDEX
(16)	3721	Aircraft Production Workers	Current Hr Wage	÷	3.49	X	100% =	INDEX
(17)	3722	Aircraft Engines and Engine Parts.	Current Hr. Wage	÷	3.42	X	100% =	INDEX
(18)	3723,9	Other Aircraft Parts and Equipment.	Current Hr. Wage	÷	3.35	X	100% =	INDEX

REDUCED FORM EQUATION

$$
\begin{aligned}
\underline{\text{Airframe}} = {} & .0211\ (V\text{-}1) + .0021\ (V\text{-}2) + .0057\ (V\text{-}4) + .0007\ (V\text{-}6) \\
& + .0062\ (V\text{-}7) + .056\ (V\text{-}8) + .0142\ (V\text{-}9) + .0422\ (V\text{-}10) \\
& + .0159\ (V\text{-}11) + .0079\ (V\text{-}12) + .0691\ (V\text{-}13) + .622\ (V\text{-}16)\ (100/3.49) \\
& + .1369\ (V\text{-}18)\ (100/3.35) \\
\underline{\text{Engine}} = {} & .0023\ (V\text{-}1) + .2625\ (V\text{-}3) + .0059\ (V\text{-}5) + .0225\ (V\text{-}7) \\
& + .0071\ (V\text{-}8) + .0021\ (V\text{-}9) + .0051\ (V\text{-}10) + .0025\ (V\text{-}11) \\
& + .1364\ (V\text{-}12) + .0817\ (V\text{-}13) + .401\ (V\text{-}17)\ (100/3.42) \\
& + .0709\ (V\text{-}18)\ (100/3.35) \\
\text{Avionics} = {} & .3150\ (V\text{-}14) + .6850\ (V\text{-}15)\ (100/2.34)
\end{aligned}
$$

Variables (V-1) thru (V-18) are defined on page B-2

DATA/DEVELOPMENT

(1) Calendar Year Data - As given on printout.

(2) Monthly Data - As specified on printout.

(3) Quarterly Data - Development from Monthly.

$$\text{Quarterly} = \left[(\text{Month}_{T-1}) + (\text{Month}_{T}) + (\text{Month}_{T+1})\right]/3$$

(4) Fiscal Year Data - Developed using appropriate quarterly data.

$$\text{Fiscal Year Average} = \frac{Q1 + Q2 + Q3 + Q4}{4}$$

(Quarters of Fiscal Year)

Variables specified on preceding chart.

NOTE :

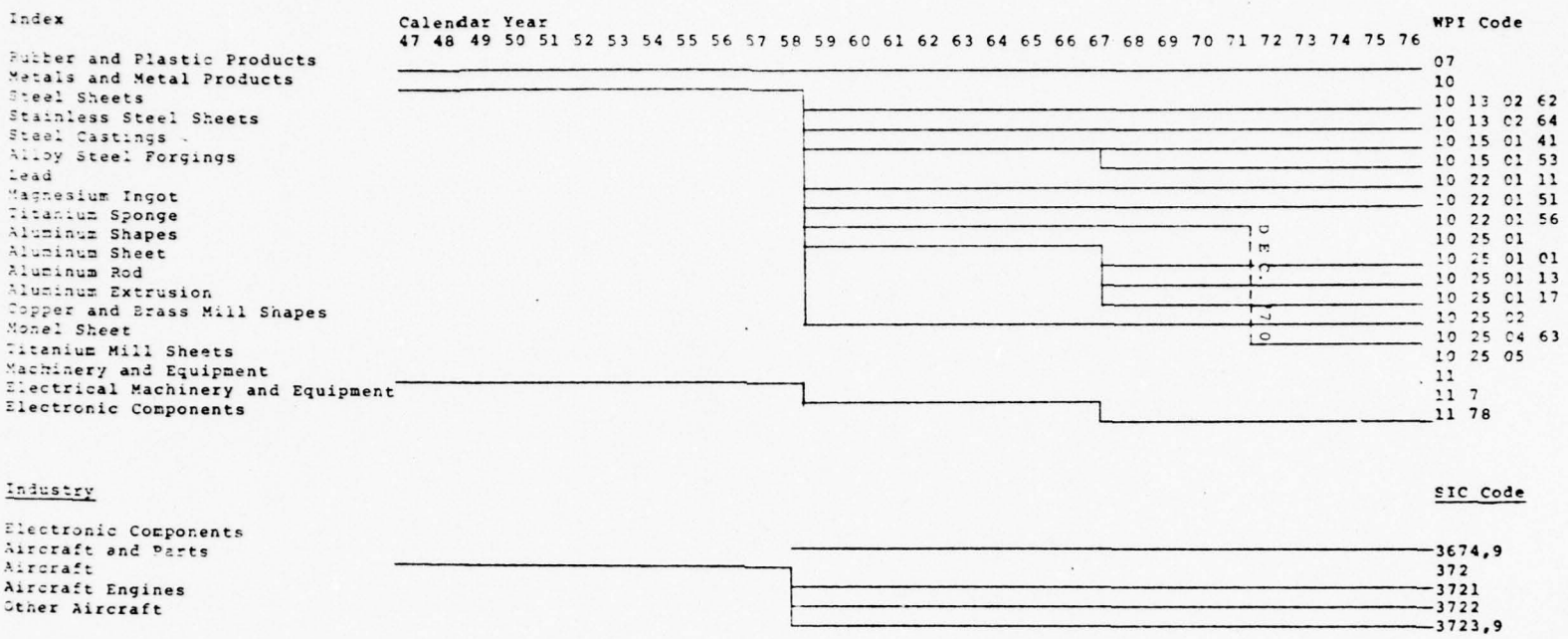
Numerical Coefficient for Titanium Index (V-13) must be multiplied by .955 for data after DEC 1970 due to change in definition of products by the Bureau of Labor Statistics.

ADJUSTED COEFF. = .0691 (.955) = .0660

APPENDIX C

Historical Flow of Wholesale Price Indexes and Earnings Series Used in Historical Inflation Program With Revised Weighting Factors

HISTORICAL FLOW OF WHOLESALE PRICE INDEXES
AND EARNINGS SERIES USED IN HISTORICAL
INFLATION PROGRAM



APPENDIX D

ANNUAL DATA FOR THE HISTORICAL INFLATION PROGRAM FOR U. S. ARMY ROTARY WING AIRCRAFT

ANNUAL CALENDAR YEAR DATA

pre '58 three inputs only.

	1	2	3												LABOR RATE DATA (15)	(16)	(17)	(18)
47	70.5	54.9	1.372															
48	72.8	62.5	1.487															
49	70.5	63.0	1.560															
50	85.9	66.3	1.637															
51	105.4	73.8	1.760															
52	95.5	73.9	1.890															
53	89.1	76.3	1.900															
54	90.4	76.5	2.070															
55	102.4	82.1	2.160															
56	103.8	89.2	2.270															
57	103.4	91.0	2.350															
58	103.30	93.10	125.70	93.20	93.20	86.70	100.00	107.60	107.60	107.60	74.10	70.50	149.30	99.90	1.71	2.51	2.51	2.44
59	102.90	94.70	121.50	96.40	96.40	87.20	100.00	106.00	106.00	106.00	80.60	70.50	122.40	99.50	1.77	2.64	2.64	2.55
60	103.10	94.70	120.20	96.80	96.80	85.20	100.00	110.40	110.40	110.80	81.70	87.60	117.40	98.20	1.86	2.71	2.73	2.64
61	99.20	94.70	118.60	97.00	97.00	77.60	100.00	111.30	111.30	111.30	75.00	89.40	108.10	98.20	1.93	2.78	2.81	2.70
62	96.30	94.70	115.40	97.00	97.00	68.70	100.00	108.70	108.70	108.70	73.90	91.60	101.00	98.70	1.97	2.87	2.91	2.80
63	96.80	96.90	107.00	97.00	97.00	79.60	100.00	102.90	102.90	102.90	73.40	91.60	97.30	95.70	2.01	2.95	2.99	2.89
64	95.50	98.00	94.40	97.10	97.10	97.30	100.00	101.40	101.40	101.40	78.50	90.60	97.30	95.10	2.09	3.00	3.09	2.98
65	95.90	98.00	91.40	98.10	98.10	114.30	100.00	99.40	99.40	99.40	88.10	90.00	98.80	95.10	2.14	3.15	3.17	3.08
66	97.80	98.80	91.80	98.00	97.90	107.20	100.00	98.50	98.50	98.50	94.00	94.20	100.00	97.70	2.21	3.34	3.32	3.21
67	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	2.34	3.49	3.46	3.35
68	103.40	104.70	103.10	102.70	102.00	94.40	100.00	102.40	95.80	102.40	107.30	105.20	99.30	99.20	2.49	3.64	3.65	3.53
69	105.30	109.50	112.50	113.40	108.10	106.50	100.00	109.70	91.00	112.00	119.20	112.20	98.00	100.70	2.61	3.90	3.87	3.76
70	108.30	114.40	130.90	119.50	117.40	112.10	100.00	110.60	93.40	120.60	130.60	132.10	95.50	101.00	2.78	4.17	4.10	3.99
71	109.10	123.40	135.00	125.30	122.90	99.00	102.70	108.70	93.40	121.40	118.60	139.70	102.80	102.40	2.91	4.36	4.30	4.15
72	109.30	133.60	126.40	129.00	130.50	109.60	103.60	104.80	93.50	123.20	124.30	140.40	107.00	103.40	3.02	4.74	4.74	4.37
73	112.40	135.30	122.10	132.20	134.70	117.00	104.40	105.20	93.40	125.10	141.70	140.20	109.20	104.40	3.16	5.13	5.05	4.66
74	136.20	167.60	157.10	163.90	161.80	159.10	173.20	136.40	126.00	150.90	182.70	173.50	132.50	111.40	3.39	5.57	5.43	5.03
75	150.20	189.30	165.30	166.80	161.90	154.00	229.10	152.60	145.40	167.00	149.90	219.60	168.80	115.50	3.75	6.19	6.03	5.52
76	159.20	205.00	168.00	216.30	215.60	163.80	249.00	175.10	163.50	182.70	163.90	241.50	171.80	115.40	3.97	6.52	6.32	5.96
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)				

MATERIAL COST DATA

APPENDIX E

MONTHLY DATA FOR THE HISTORICAL INFLATION PROGRAM :

MONTHLY DATA FOR

LABOR RATES:

MATERIALS

CY/MO	1 007X RUBBER	2 130262 CR ST	3 130264 STLS	4 150141 CAST	5 150123 FORGE	6 220111 LEAD	7 220151 MAGNES	8 250101 ALUMN	9 250113 SC.STK	10 250117 EXTRU	11 102502 CP/HRD	12 250443 MONEL	13 2505XX TI.MIL	14 117XX ELECT	15 ELECT 3674.9	16 ACFT 3721	17 ENG 3722	18 OTHER 3723,9	FY
67JUL	98.80	100.00	99.10	100.00	99.90	100.00	100.00	100.10	100.10	100.10	95.70	98.90	100.00	99.80	2.30	3.46	3.41	3.33	68
67AUG	100.90	100.00	99.10	100.00	99.90	100.00	100.00	100.10	100.10	100.10	96.60	98.90	100.00	99.70	2.35	3.51	3.45	3.36	68
67SEP	101.30	100.00	99.10	100.00	100.20	100.00	100.00	100.10	100.10	100.10	98.40	98.90	100.00	99.50	2.35	3.52	3.48	3.38	68
67OCT	101.70	100.00	101.60	100.00	100.20	100.00	100.00	100.10	100.10	100.10	100.60	103.20	100.00	99.40	2.37	3.54	3.52	3.39	68
67NOV	102.40	100.00	103.20	100.00	101.30	100.00	100.00	100.10	100.10	100.10	105.10	103.20	100.00	99.10	2.38	3.58	3.49	3.42	68
67DEC	102.30	100.00	103.20	100.00	101.30	100.00	100.00	100.10	100.10	100.10	107.40	103.20	100.00	99.90	2.41	3.61	3.56	3.46	68
68JAN	102.40	103.40	103.20	102.90	101.40	100.00	100.00	100.10	100.10	100.10	115.10	103.20	100.00	99.70	2.43	3.58	3.58	3.46	68
68FEB	102.50	103.40	103.20	103.10	101.40	100.00	100.00	100.10	100.10	100.10	119.50	105.40	100.00	99.40	2.45	3.58	3.54	3.47	68
68MAR	102.60	103.40	103.20	104.00	101.40	100.00	100.00	100.10	100.10	100.10	120.00	105.40	100.00	99.10	2.46	3.58	3.58	3.48	68
68APR	102.60	103.40	103.20	104.00	101.40	100.00	100.00	100.10	100.10	100.10	122.20	105.40	99.20	99.40	2.44	3.55	3.52	3.45	68
68MAY	102.70	103.40	103.20	104.00	101.40	92.90	100.00	100.10	100.10	100.10	107.40	105.40	99.20	99.50	2.47	3.58	3.61	3.49	68
68JUN	103.00	103.40	103.20	105.40	101.40	92.90	100.00	103.30	101.60	101.50	102.70	105.40	99.20	99.10	2.49	3.58	3.63	3.54	68
68JUL	103.50	103.40	103.20	106.80	101.40	92.90	100.00	104.20	101.60	104.50	99.30	105.40	99.20	99.00	2.49	3.57	3.63	3.55	69
68AUG	104.00	103.40	104.10	106.80	101.40	86.20	100.00	104.20	101.60	104.50	98.90	105.40	99.20	99.00	2.51	3.63	3.67	3.55	69
68SEP	104.00	107.20	103.30	108.00	101.40	86.20	100.00	104.20	86.20	104.50	98.90	105.40	99.20	99.00	2.52	3.69	3.71	3.56	69
68OCT	104.20	107.20	103.30	108.00	101.70	92.90	100.00	104.20	86.20	104.50	99.10	105.40	99.20	99.00	2.53	3.79	3.77	3.57	69
68NOV	104.30	107.20	102.20	108.00	104.50	92.90	100.00	104.20	86.20	104.50	101.00	105.40	99.20	99.10	2.55	3.80	3.76	3.61	69
68DEC	104.40	107.20	102.20	108.00	105.60	92.90	100.00	104.20	86.20	104.50	102.80	105.40	99.20	99.10	2.56	3.81	3.86	3.65	69
69JAN	103.20	107.20	105.40	109.50	105.60	96.50	100.00	104.20	86.20	104.50	109.30	110.50	99.20	98.90	2.56	3.81	3.81	3.65	69
69FEB	103.80	107.20	105.40	109.50	105.60	100.00	100.00	108.30	90.50	108.90	109.20	110.50	99.20	100.20	2.59	3.86	3.81	3.67	69
69MAR	104.10	107.20	105.40	110.50	105.60	100.00	100.00	109.30	90.50	109.40	110.40	110.50	99.20	100.40	2.58	3.85	3.80	3.68	69
69APR	104.40	107.20	106.20	110.50	105.80	103.50	100.00	110.50	89.80	110.70	113.00	110.50	99.20	100.60	2.57	3.86	3.81	3.68	69
69MAY	104.20	107.20	106.40	113.60	106.10	103.50	100.00	110.50	89.80	112.00	116.10	110.50	99.20	100.60	2.60	3.84	3.84	3.74	69
69JUN	104.30	107.20	110.60	113.60	107.80	107.10	100.00	110.50	89.80	112.30	116.50	110.50	99.20	100.60	2.61	3.84	3.85	3.76	69
69JUL	105.70	107.20	110.60	113.60	108.70	110.70	100.00	110.50	89.80	112.30	116.40	110.50	99.20	100.50	2.62	3.83	3.87	3.78	70
69AUG	106.10	112.90	110.60	115.30	108.70	110.70	100.00	110.50	91.00	112.80	123.20	110.50	99.20	100.60	2.63	3.92	3.89	3.79	70
69SEP	105.80	112.90	110.60	116.30	109.10	110.70	100.00	110.50	93.40	112.30	127.00	110.50	95.50	101.20	2.65	3.89	3.92	3.79	70
69OCT	106.60	112.90	126.80	116.30	109.10	110.70	100.00	110.50	93.40	114.10	127.00	110.50	95.50	101.40	2.64	3.98	3.94	3.84	70
69NOV	107.50	112.90	126.00	116.30	110.70	110.70	100.00	110.50	93.40	114.60	127.00	110.50	95.50	101.70	2.65	4.05	3.94	3.86	70
69DEC	107.50	112.90	125.80	116.30	113.50	114.30	100.00	110.60	93.40	117.80	131.00	130.90	95.50	101.40	2.68	4.07	4.04	3.91	70
70JAN	107.80	107.50	130.90	117.90	114.80	117.90	100.00	110.60	93.40	117.80	135.70	130.90	95.50	101.40	2.70	4.09	4.01	3.89	70
70FEB	107.70	113.10	130.90	117.90	114.90	117.90	100.00	110.60	93.40	117.80	135.00	130.90	95.50	100.20	2.71	4.09	4.01	3.90	70
70MAR	107.60	113.10	130.90	117.90	115.30	117.90	100.00	110.60	93.40	117.80	132.00	130.90	95.50	100.20	2.73	4.09	4.03	3.93	70
70APR	107.50	113.10	130.70	117.90	115.30	117.90	100.00	110.60	93.40	119.00	135.10	130.90	95.50	100.60	2.74	4.10	4.03	3.94	70
70MAY	107.20	113.10	130.90	117.90	115.70	117.90	100.00	110.60	93.40	121.50	136.70	130.90	95.50	99.80	2.77	4.11	4.06	3.95	70
70JUN	107.10	119.40	130.90	117.90	117.30	117.90	100.00	110.60	93.40	121.70	136.70	130.90	95.50	101.20	2.79	4.11	4.09	3.98	70
70JUL	108.50	119.40	130.90	120.40	118.40	110.80	100.00	110.60	93.40	121.70	133.20	130.90	95.50	101.20	2.81	4.12	4.11	4.00	71
70AUG	109.20	119.40	130.90	120.40	118.40	107.10	100.00	110.60	93.50	121.70	132.40	130.90	95.50	101.00	2.82	4.22	4.14	4.02	71
70SEP	109.20	119.40	130.90	120.40	118.40	105.60	100.00	110.60	93.50	121.90	124.60	133.10	95.50	101.50	2.83	4.27	4.13	4.04	71
70OCT	109.10	119.40	130.90	121.60	118.40	105.60	100.00	110.60	93.50	121.90	123.90	133.10	95.50	101.50	2.84	4.27	4.17	4.07	71
70NOV	109.00	119.40	130.90	121.60	118.40	[illegible]	100.00	110.60	93.50	121.90	123.10	136.00	95.50	101.90	2.86	4.34	4.19	4.09	71
70DEC	109.20	119.40	130.90	121.60	119.30	103.60	100.00	110.60	93.50	121.90	118.00	136.00	95.50	101.90	2.89	4.33	4.29	4.15	71
71JAN	108.30	119.40	130.80	122.60	119.80	96.40	103.60	110.60	93.40	121.50	115.20	136.00	100.00	102.80	2.90	4.32	4.28	4.11	71
71FEB	109.00	119.40	130.80	122.60	119.80	96.40	103.60	108.60	93.40	121.50	113.20	136.00	100.30	103.30	2.89	4.31	4.31	4.11	71
71MAR	109.00	119.40	130.80	122.60	119.80	96.40	103.60	108.60	93.40	121.50	112.00	140.40	101.70	103.70	2.90	4.32	4.31	4.08	71
71APR	108.80	119.40	130.80	125.20	119.80	96.40	103.60	108.60	93.40	121.50	120.50	140.40	103.70	103.10	2.91	4.32	4.30	4.07	71
71MAY	108.60	119.40	130.80	125.20	121.70	96.40	103.60	108.60	93.40	121.50	124.00	140.40	103.70	102.70	2.92	4.37	4.34	4.13	71
71JUN	108.60	119.40	138.10	125.80	124.30	96.40	103.60	108.60	93.40	121.50	120.70	140.40	103.70	103.00	2.93	4.34	4.35	4.15	71
71JUL	109.40	127.40	138.10	125.80	124.80	101.80	103.60	108.60	93.40	121.50	120.70	140.40	103.70	103.10	2.92	4.33	4.37	4.16	72
71AUG	109.80	127.40	138.10	126.80	125.00	101.80	103.60	108.60	93.40	121.50	120.00	140.40	103.70	103.20	2.92	4.36	4.38	4.17	72
71SEP	109.60	127.40	138.10	126.80	125.00	101.80	100.80	108.60	93.40	121.50	119.50	140.40	103.70	102.80	2.93	4.38	4.37	4.20	72

MONTHLY DATA FOR

MATERIALS | LABOR RATES:

CY/MO	1 007X FORGED	2 130262 CR STL	3 130.24 STLS	4 150141 CAST	5 150153 FORGE	6 220111 LEAD	7 2301-1 MAGNES	8 250101 ALUMN	9 250113 SC.STK	10 250117 EXTRU	11 102602 CP/ARS	12 250463 MONEL	13 2505XX TI.MIL	14 1178XX ELECT	15 ELECT 3674.9	16 ACFT 3721	17 ENG 3722	18 OTHER 3723.9	FY
71OCT	109.40	127.40	138.10	126.80	125.00	101.80	100.80	108.60	93.40	121.50	119.50	140.40	103.70	102.80	2.89	4.41	4.41	4.18	72
71NOV	109.30	127.40	138.10	126.80	125.00	101.80	100.80	108.60	93.40	120.90	119.10	140.40	103.70	102.60	2.90	4.45	4.44	4.17	72
71DEC	109.30	127.40	137.10	126.00	125.00	101.10	100.80	108.60	93.40	120.90	117.70	140.40	103.70	102.50	2.94	4.46	4.52	4.26	72
72JAN	109.50	124.10	137.10	127.60	127.60	101.10	103.60	105.60	93.40	121.60	119.70	140.40	103.70	102.40	2.96	4.44	4.50	4.22	72
72FEB	108.20	134.50	137.10	127.60	129.00	103.60	103.60	105.60	93.40	121.60	121.60	140.40	106.80	103.40	2.96	4.58	4.54	4.28	72
72MAR	108.90	134.50	138.10	127.60	129.70	110.70	103.60	105.10	93.40	121.60	124.40	140.40	107.10	103.40	2.99	4.64	4.56	4.30	72
72APR	108.70	134.50	138.10	127.80	129.70	110.70	103.60	105.10	93.40	123.10	125.30	140.40	107.10	103.20	2.98	4.74	4.57	4.33	72
72MAY	108.80	134.50	138.10	127.80	130.70	112.50	103.60	105.10	94.90	123.80	125.50	140.40	107.40	104.00	3.00	4.72	4.63	4.36	72
72JUN	108.90	134.50	120.60	127.80	130.80	112.50	103.60	105.10	93.40	123.80	125.30	140.40	107.40	103.90	3.02	4.72	4.65	4.36	72
72JUL	109.20	134.50	120.40	127.80	131.30	112.50	103.60	105.10	93.40	123.80	123.50	140.40	107.40	104.00	3.03	4.64	4.69	4.34	73
72AUG	109.50	134.50	117.50	130.90	131.30	112.50	103.60	105.10	93.40	123.80	123.50	140.40	107.40	103.70	3.03	4.77	4.75	4.39	73
72SEP	109.50	134.50	117.50	130.90	131.30	110.70	103.60	105.10	93.40	123.80	125.30	140.40	107.40	103.30	3.06	4.79	4.78	4.43	73
72OCT	109.50	134.50	117.50	130.90	131.30	110.70	103.60	103.70	93.40	123.80	125.10	140.40	107.40	103.20	3.06	4.84	4.80	4.44	73
72NOV	109.80	134.50	117.50	130.90	131.30	108.00	103.60	103.70	93.40	123.80	125.70	140.40	107.40	103.20	3.05	4.97	4.83	4.49	73
72DEC	109.80	134.50	117.50	130.90	132.00	108.00	103.60	103.70	93.40	123.80	125.90	140.40	107.40	103.30	3.09	5.04	4.98	4.51	73
73JAN	110.00	134.50	117.50	130.90	132.00	108.00	106.40	103.70	93.40	123.80	126.20	140.40	107.40	103.60	3.09	4.99	4.92	4.52	73
73FEB	110.10	134.50	117.50	130.90	132.00	110.70	106.40	103.70	93.40	123.80	127.90	140.40	107.40	103.60	3.08	5.04	4.92	4.50	73
73MAR	110.30	134.50	117.50	130.90	134.00	114.30	106.40	103.70	93.40	123.80	137.00	149.80	107.40	103.70	3.10	5.04	4.94	4.55	73
73APR	110.60	134.50	117.50	132.30	138.00	114.30	106.40	104.40	93.40	123.80	138.50	149.80	107.10	104.00	3.12	5.03	4.95	4.57	73
73MAY	111.50	134.50	123.40	132.30	138.00	116.10	106.40	104.40	93.40	125.20	141.90	149.80	106.40	104.40	3.12	5.08	4.95	4.57	73
73JUN	112.60	134.50	124.50	132.30	138.20	117.00	106.40	104.40	93.40	125.60	142.10	149.80	108.20	104.50	3.13	5.07	4.99	4.62	73
73JUL	112.90	134.50	124.50	132.30	138.20	117.00	106.40	104.40	93.40	125.20	141.60	149.80	108.20	104.60	3.15	5.05	5.07	4.66	74
73AUG	113.10	134.50	124.50	133.00	138.20	117.00	106.40	104.40	93.40	125.20	140.00	149.80	109.00	104.60	3.18	5.17	5.08	4.69	74
73SEP	112.80	134.50	124.50	133.00	138.20	117.00	106.40	105.60	93.40	125.20	143.50	149.80	111.10	104.60	3.20	5.18	5.09	4.73	74
73OCT	114.00	137.50	124.50	133.00	138.20	117.00	106.40	106.70	93.40	125.90	146.50	149.80	111.10	104.80	3.22	5.27	5.12	4.77	74
73NOV	114.80	137.50	124.60	133.00	138.90	117.00	106.40	107.20	93.40	126.90	154.30	149.80	112.30	104.90	3.24	5.26	5.15	4.82	74
73DEC	116.50	137.50	124.60	133.00	138.90	132.10	106.40	109.40	93.40	126.90	160.40	149.80	114.70	105.70	3.27	5.34	5.37	4.88	74
74JAN	117.70	137.50	126.90	142.60	142.20	135.70	116.80	117.80	102.00	130.20	165.20	149.80	114.70	106.20	3.26	5.36	5.26	4.82	74
74FEB	119.80	137.50	128.60	143.50	142.50	135.70	116.80	117.80	102.00	134.00	165.40	149.80	114.70	106.40	3.28	5.41	5.29	4.88	74
74MAR	123.80	142.00	134.60	143.50	144.40	135.70	123.75	117.30	108.00	136.10	178.30	149.80	121.80	107.20	3.30	5.43	5.30	4.88	74
74APR	129.40	146.60	140.10	143.50	145.20	142.60	130.70	125.00	116.40	144.50	189.00	149.80	121.80	108.30	3.31	5.40	5.21	4.89	74
74MAY	133.70	158.80	153.60	161.00	152.20	153.60	153.00	127.10	116.40	144.20	200.30	175.30	123.10	109.60	3.34	5.50	5.34	5.02	74
74JUN	135.60	166.40	159.60	150.30	162.40	153.60	153.00	132.30	123.20	150.40	203.70	175.30	124.30	111.30	3.39	5.51	5.41	5.03	74
74JUL	139.50	182.30	163.30	163.80	167.30	176.00	180.20	144.30	132.20	152.20	198.70	175.30	137.50	112.10	3.42	5.52	5.44	5.03	75
74AUG	143.40	188.50	173.10	174.70	168.10	176.00	219.70	151.00	140.40	163.80	188.90	191.30	137.50	113.90	3.40	5.59	5.47	5.10	75
74SEP	145.60	188.50	174.90	182.50	169.10	176.00	208.60	151.00	140.40	163.80	184.90	191.30	139.00	113.30	3.47	5.64	5.51	5.13	75
74OCT	147.50	188.50	174.30	182.50	182.90	176.00	208.60	151.00	142.20	163.80	181.60	191.30	151.70	114.30	3.47	5.75	5.55	5.15	75
74NOV	148.50	188.50	175.80	182.50	182.90	176.00	208.60	151.00	144.10	162.80	172.70	191.30	151.70	116.80	3.52	5.83	5.59	5.18	75
74DEC	149.40	190.00	178.30	182.50	182.90	176.00	208.60	151.00	144.10	162.80	163.50	191.30	151.70	117.00	3.54	5.87	5.72	5.23	75
75JAN	149.60	189.10	178.30	182.50	182.90	175.00	228.10	151.00	144.10	162.10	159.10	219.60	163.40	117.30	3.63	5.93	5.75	5.23	75
75FEB	150.00	189.10	169.60	185.00	182.90	176.00	228.10	151.00	144.10	162.10	156.00	219.60	163.40	117.00	3.66	5.94	5.84	5.29	75
75MAR	149.70	180.10	160.30	196.40	182.90	175.00	228.10	151.00	144.10	165.20	148.80	219.60	162.20	116.60	3.68	6.00	5.90	5.35	75
75APR	149.40	180.10	169.30	198.40	185.90	176.00	228.10	151.00	144.10	165.20	150.90	219.60	164.60	116.30	3.71	6.07	5.90	5.39	75
75MAY	148.90	186.00	169.30	198.40	195.40	168.80	228.10	151.00	144.10	165.00	148.00	219.60	170.80	115.60	3.73	6.12	5.96	5.47	75
75JUN	148.60	186.00	162.60	198.40	195.40	136.70	228.10	151.00	144.10	165.50	147.90	219.60	170.80	115.70	3.77	6.20	6.03	5.49	75
75JUL	150.10	184.80	162.90	201.10	195.40	136.70	228.10	151.00	144.10	165.50	143.90	219.60	171.80	115.60	3.81	6.22	6.00	5.56	76
75AUG	150.00	184.80	162.90	201.10	195.40	136.70	228.10	157.20	147.20	171.00	145.60	219.60	171.80	115.10	3.78	6.26	6.04	5.62	76
75SEP	150.80	184.80	162.90	201.10	196.40	142.90	228.10	157.20	147.20	171.00	147.10	219.60	171.80	114.50	3.81	6.30	6.12	5.65	76
75OCT	151.50	197.00	162.60	201.10	195.40	142.90	228.10	153.40	147.20	170.70	150.20	219.60	171.80	113.90	3.81	6.37	6.16	5.66	76
75NOV	151.80	197.00	156.60	201.10	196.80	142.00	228.10	153.40	147.20	170.70	151.30	219.60	171.80	114.30	3.81	6.43	6.23	5.77	76
75DEC	151.90	197.00	156.70	201.10	198.40	142.90	228.10	153.40	147.20	170.30	150.00	219.60	171.80	114.30	3.85	6.47	6.44	5.81	76

MONTHLY DATA FOR

MATERIALS — LABOR RATES:

CY/MO	1 007X RUBBER	2 130262 CP STL	3 130?? ST-LS	4 150141 CAST	5 150123 FORGE	6 220111 LE..	7 220151 MAGNES	8 250101 ALUMN	9 250113 SC.STK	10 250117 EXTRU	11 102502 CP/BRS	12 250463 MONEL	13 2505XX TI.MIL	14 117XXX ELECT	15 ELECT 3674.9	16 ?CFT 3721	17 ENG 3722	18 OTHER 3723.9	FY
76JAN	152.30	197.00	162.60	214.80	198.40	135.70	242.00	157.20	147.20	169.80	149.20	241.50	171.80	114.50	3.88	6.47	6.32	5.79	76
76FEB	154.20	197.00	162.60	214.80	198.40	135.70	242.00	158.80	147.20	169.80	150.10	241.50	171.80	114.90	3.87	6.54	6.33	5.84	76
76MAR	155.50	197.00	162.60	214.80	210.80	135.70	242.00	163.50	147.20	169.80	152.10	241.50	171.80	114.70	3.88	6.58	6.37	5.86	76
76APR	156.70	197.00	162.60	214.80	210.20	150.00	242.00	163.50	147.20	169.80	163.20	241.50	171.80	114.90	3.88	6.54	6.21	5.83	76
76MAY	157.10	197.00	162.60	214.80	210.20	162.[illegible]	242.00	169.30	154.60	175.30	166.70	241.50	171.80	115.00	3.91	6.57	6.37	5.93	76
76JUN	157.20	209.10	162.60	214.80	215.20	164.30	242.00	175.90	154.60	180.40	166.70	241.50	171.80	115.40	3.94	6.54	6.42	5.94	76
76JUL	158.20	209.10	162.60	214.80	219.50	174.80	255.90	175.90	154.60	180.70	168.00	241.50	171.80	115.40	3.97	6.07	6.61	5.99	77
76AUG	161.00	209.10	172.60	218.40	220.60	174.80	255.90	175.90	154.60	182.90	171.40	241.50	171.80	115.50	3.99	6.64	6.62	5.98	77
76SEP	163.60	209.10	176.30	218.40	220.60	174.80	255.90	190.30	158.80	197.50	172.40	241.50	171.80	115.80	4.01	6.63	6.66	6.03	77
76OCT	164.50	209.10	176.30	218.40	220.60	183.00	255.90	190.30	158.80	197.50	174.70	241.50	171.80	116.20	4.04	6.75	6.71	6.05	77
76NOV	164.80	209.10	176.30	218.40	228.60	183.00	255.90	190.30	158.80	197.50	169.90	241.50	171.80	116.40	4.06	6.77	6.75	6.12	77
76DEC	164.60	220.90	176.30	218.40	229.70	183.00	255.90	190.30	158.80	197.50	161.60	241.50	171.80	116.60	4.16	6.81	6.86	6.18	77
77JAN	164.50	222.60	185.00	218.40	231.80	186.30	255.90	190.30	158.80	197.50	159.00	241.50	171.80	117.90	4.21	6.90	6.83	6.14	77
77FEB	164.00	222.60	186.60	220.40	231.80	207.10	267.00	190.30	158.80	197.50	160.40	241.50	171.80	118.20	4.19	6.92	6.87	6.20	77
77MAR	164.30	222.60	186.60	230.40	231.80	221.[illegible]	267.00	190.30	158.80	197.50	167.40	262.60	171.80	118.20	4.20	6.95	6.86	6.25	77
77APR	165.90	222.60	186.60	233.40	231.80	221.40	267.00	196.00	161.50	208.70	175.30	262.60	171.80	118.80	4.22	6.96	6.84	6.29	77
77MAY	166.40	222.60	200.10	235.70	231.80	221.[illegible]	267.00	199.80	158.80	208.70	175.30	262.60	169.80	118.80	4.26	7.04	6.85	6.35	77
77JUN	167.40	222.60	203.[illegible]	235.70	231.80	221.40	267.00	203.70	167.80	209.30	172.90	262.60	169.80	118.90	4.32	7.06	6.95	6.39	77
77JUL	168.90	237.40	205.60	235.70	234.20	221.40	275.40	190.60	167.80	218.30	173.10	262.60	169.80	118.70	4.35	7.09	7.01	6.43	77
77AUG	169.10	237.40	205.60	230.40	234.20	221.40	275.40	190.60	167.80	220.20	170.20	262.60	170.10	118.80	4.38	7.14	7.02	6.45	77
77SEP	169.40	237.40	202.70	233.40	240.10	221.40	275.40	190.60	167.80	220.20	163.10	262.60	168.90	120.50	4.44	7.17	7.15	6.57	77

APPENDIX F

HISTORICAL INFLATION INDICES :

HISTORICAL INFLATION
PRE-1958 INDICES

CY	AIRFRAME PRODUCTION INDEX CY67= 100.0	AIRFRAME PRODUCTION FACTOR FY77= 1.0000	ENGINE PRODUCTION INDEX CY67= 100.0	ENGINE PRODUCTION FACTOR FY77= 1.0000	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS INDEX CY67= 100.0	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS FACTOR FY77= 1.0000
47	47.3	4.1108	55.2	3.6802	49.1	4.0033
48	52.1	3.7367	61.8	3.2879	54.2	3.6231
49	53.8	3.6181	63.1	3.2184	55.9	3.5178
50	56.8	3.4294	66.4	3.0600	58.9	3.3364
51	62.4	3.1167	73.3	2.7701	64.9	3.0297
52	64.7	3.0082	74.9	2.7122	67.0	2.9347
53	67.5	2.8854	77.8	2.6096	69.8	2.8170
54	69.4	2.8037	79.3	2.5601	71.6	2.7437
55	73.1	2.6613	84.0	2.4173	75.6	2.6010
56	77.6	2.5081	90.2	2.2515	80.4	2.4441
57	79.9	2.4368	92.5	2.1958	82.7	2.3709

HISTORICAL INFLATION
CALENDAR YEAR INDICES

	AIRFRAME PRODUCTION		ENGINE PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=
CY	100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000
58	82.4	2.3810	94.2	2.1566	81.5	1.9775	85.0	2.3107	84.7	2.2786
59	83.3	2.3370	92.6	2.1923	83.2	1.9388	85.4	2.3021	85.1	2.2666
60	85.3	2.2823	95.5	2.1260	85.4	1.8882	87.6	2.2444	87.3	2.2096
61	86.0	2.2638	95.6	2.1232	87.4	1.8440	88.1	2.2299	88.1	2.1915
62	87.1	2.2336	95.9	2.1163	88.1	1.8294	89.1	2.2060	89.0	2.1687
63	88.0	2.2107	94.4	2.1511	89.0	1.8118	89.5	2.1968	89.4	2.1584
64	89.2	2.1822	92.3	2.1990	91.1	1.7690	89.9	2.1862	90.0	2.1440
65	92.3	2.1081	92.7	2.1903	92.6	1.7410	92.4	2.1264	92.4	2.0878
66	96.5	2.0176	95.5	2.1266	95.5	1.6887	96.3	2.0415	96.2	2.0065
67	100.0	1.9463	100.0	2.0308	100.0	1.6122	100.0	1.9651	100.0	1.9298
68	103.8	1.8750	104.6	1.9415	104.1	1.5481	104.0	1.8899	104.0	1.8556
69	110.4	1.7633	111.1	1.8272	108.1	1.4911	110.6	1.7776	110.3	1.7495
70	116.9	1.6655	121.8	1.6672	113.2	1.4243	118.0	1.6659	117.5	1.6426
71	120.8	1.6106	127.6	1.5919	117.4	1.3728	122.3	1.6063	121.8	1.5838
72	128.9	1.5097	130.7	1.5533	121.0	1.3327	129.3	1.5195	128.5	1.5019
73	137.7	1.4130	135.3	1.5015	125.4	1.2857	137.2	1.4323	136.0	1.4188
74	154.0	1.2640	157.2	1.2920	134.3	1.2002	154.7	1.2703	152.7	1.2541
75	172.0	1.1316	178.1	1.1401	146.2	1.1031	173.4	1.1335	170.6	1.1309
76	184.6	1.0545	189.7	1.0708	152.5	1.0567	185.7	1.0582	182.4	1.0581

HISTORICAL INFLATION
MONTHLY INDICES

			AIRFRAME PRODUCTION		ENGINE PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
			INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000
	CY	FY										
JUL	67	68	99.3	1.9602	99.4	2.0423	100.5	1.6038	99.3	1.9785	99.4	1.9406
AUG	67	68	100.3	1.9396	100.0	2.0312	100.2	1.6090	100.3	1.9599	100.3	1.9246
SEP	67	68	100.7	1.9335	100.4	2.0231	100.1	1.6100	100.6	1.9534	100.6	1.9192
OCT	67	68	101.1	1.9246	102.1	1.9886	100.7	1.6016	101.4	1.9388	101.3	1.9052
NOV	67	68	102.1	1.9071	102.3	1.9857	100.9	1.5980	102.1	1.9246	102.0	1.8923
DEC	67	68	102.8	1.8935	103.2	1.9681	102.0	1.5803	102.9	1.9101	102.8	1.8774
JAN	68	68	102.5	1.8991	103.5	1.9625	102.5	1.5723	102.7	1.9133	102.7	1.8793
FEB	68	68	102.5	1.8982	103.9	1.9548	103.3	1.5603	102.8	1.9109	102.9	1.8757
MAR	68	68	102.6	1.8972	103.8	1.9566	103.2	1.5618	102.9	1.9105	102.9	1.8755
APR	68	68	101.9	1.9098	103.0	1.9729	102.7	1.5692	102.1	1.9238	102.2	1.8881
MAY	68	68	102.4	1.9012	104.1	1.9514	103.4	1.5555	102.8	1.9165	102.8	1.8765
JUN	68	68	102.8	1.8937	104.4	1.9446	104.1	1.5486	103.1	1.9052	103.2	1.8692
JUL	68	69	102.8	1.8937	104.5	1.9440	104.1	1.5491	103.2	1.9050	103.2	1.8691
AUG	68	69	103.9	1.8741	105.2	1.9308	104.7	1.5404	104.1	1.8869	104.2	1.8521
SEP	68	69	104.8	1.8579	105.3	1.9285	105.0	1.5361	104.9	1.8737	104.9	1.8399
OCT	68	69	106.6	1.8260	105.6	1.9238	105.2	1.5318	106.4	1.8475	106.3	1.8163
NOV	68	69	107.0	1.8196	105.8	1.9186	105.9	1.5229	106.7	1.8414	106.6	1.8098
DEC	68	69	107.3	1.8133	107.1	1.8959	106.2	1.5187	107.3	1.8316	107.2	1.8006
JAN	69	69	107.5	1.8111	108.1	1.8796	106.1	1.5196	107.5	1.8262	107.5	1.7960
FEB	69	69	108.9	1.7868	108.2	1.8772	107.4	1.5014	108.8	1.8068	108.6	1.7766
MAR	69	69	108.9	1.7872	108.1	1.8786	107.2	1.5046	108.7	1.8074	108.6	1.7775
APR	69	69	109.2	1.7817	108.4	1.8726	106.9	1.5078	109.1	1.8018	108.9	1.7729
MAY	69	69	109.2	1.7816	109.0	1.8632	107.8	1.4955	109.2	1.7997	109.1	1.7696
JUN	69	69	109.4	1.7790	110.3	1.8416	108.1	1.4915	109.6	1.7937	109.4	1.7638
JUL	69	70	109.3	1.7804	110.5	1.8368	108.4	1.4879	109.6	1.7931	109.5	1.7629
AUG	69	70	111.1	1.7517	110.8	1.8323	108.7	1.4835	111.0	1.7696	110.8	1.7415
SEP	69	70	110.4	1.7641	110.9	1.8312	109.5	1.4730	110.5	1.7783	110.4	1.7480
OCT	69	70	112.3	1.7331	115.5	1.7582	109.2	1.4761	113.0	1.7388	112.6	1.7133
NOV	69	70	113.8	1.7109	115.4	1.7604	109.6	1.4708	114.1	1.7220	113.7	1.6978
DEC	69	70	114.6	1.6986	119.4	1.7008	110.4	1.4604	115.7	1.6990	115.1	1.6761
JAN	70	70	114.9	1.6933	120.4	1.6872	111.0	1.4527	116.2	1.6919	115.6	1.6689
FEB	70	70	115.0	1.6927	120.4	1.6869	110.9	1.4538	116.2	1.6913	115.7	1.6686
MAR	70	70	115.1	1.6916	120.7	1.6828	111.5	1.4462	116.3	1.6896	115.8	1.6662
APR	70	70	115.4	1.6870	120.7	1.6831	111.9	1.4408	116.6	1.6861	116.1	1.6624
MAY	70	70	115.7	1.6819	121.1	1.6769	112.5	1.4328	116.9	1.6808	116.5	1.6568
JUN	70	70	115.9	1.6799	121.5	1.6710	113.4	1.4198	117.1	1.6778	116.8	1.6527
JUL	70	71	114.1	1.6764	121.8	1.6672	114.1	1.4125	117.4	1.6743	117.0	1.6487
AUG	70	71	116.0	1.6490	122.2	1.6618	114.4	1.4097	118.9	1.6526	116.5	1.6291
SEP	70	71	114.8	1.6377	122.4	1.6590	114.8	1.4042	119.6	1.6426	119.2	1.6196
OCT	70	71	119.0	1.6361	122.9	1.6519	115.1	1.4006	119.8	1.6397	119.4	1.6167
NOV	70	71	120.3	1.6180	123.4	1.6429	115.8	1.3920	121.0	1.6236	120.5	1.6014
DEC	70	71	120.3	1.6179	124.9	1.6259	116.7	1.3815	121.3	1.6196	120.9	1.5967
JAN	71	71	119.9	1.6235	124.7	1.6280	117.3	1.3747	121.0	1.6245	120.6	1.6002
FEB	71	71	119.6	1.6274	125.1	1.6233	117.1	1.3763	120.8	1.6265	120.5	1.6021
MAR	71	71	119.8	1.6251	125.7	1.6150	117.6	1.3714	121.1	1.6227	120.7	1.5983
APR	71	71	120.0	1.6226	125.8	1.6145	117.7	1.3702	121.3	1.6203	120.9	1.5959
MAY	71	71	121.2	1.6061	126.4	1.6067	117.8	1.3683	122.3	1.6062	121.9	1.5832
JUN	71	71	120.7	1.6128	128.5	1.5806	118.2	1.3638	122.4	1.6053	122.0	1.5819

JUL	71	72	120.6	1.6141	128.7	1.5774	118.0	1.3660	122.4	1.6055	122.0	1.5824
AUG	71	72	121.2	1.6064	128.9	1.5767	118.0	1.3664	122.9	1.5992	122.4	1.5768
SEP	71	72	121.6	1.6005	128.8	1.5772	118.2	1.3645	123.2	1.5950	122.7	1.5728
OCT	71	72	122.1	1.5944	129.2	1.5719	117.8	1.3782	123.6	1.5893	123.0	1.5692
NOV	71	72	122.7	1.5863	129.5	1.5680	117.2	1.3755	124.2	1.5820	123.5	1.5624
DEC	71	72	123.2	1.5785	130.4	1.5574	118.4	1.3622	124.8	1.5744	124.2	1.5542
JAN	72	72	123.6	1.5874	130.1	1.5604	118.9	1.3559	124.3	1.5811	123.7	1.5595
FEB	72	72	125.6	1.5445	131.0	1.5505	119.2	1.3523	126.8	1.5498	126.0	1.5311
MAR	72	72	126.8	1.5340	131.5	1.5438	120.1	1.3424	127.9	1.5369	127.1	1.5185
APR	72	72	128.8	1.5115	131.7	1.5416	119.7	1.3464	129.4	1.5183	128.5	1.5022
MAY	72	72	128.6	1.5133	132.5	1.5323	120.6	1.3370	129.5	1.5176	128.6	1.5007
JUN	72	72	128.6	1.5136	128.1	1.5856	121.1	1.3309	128.5	1.5294	127.8	1.5106
JUL	72	73	127.1	1.5318	128.6	1.5798	121.5	1.3274	127.4	1.5425	126.8	1.5219
AUG	72	73	129.6	1.5017	128.6	1.5792	121.4	1.3284	129.4	1.5188	128.6	1.5008
SEP	72	73	130.2	1.4954	129.0	1.5738	122.1	1.3206	129.9	1.5127	129.1	1.4945
OCT	72	73	131.0	1.4857	129.3	1.5708	122.1	1.3206	130.6	1.5044	129.8	1.4871
NOV	72	73	131.5	1.4575	129.7	1.5652	121.8	1.3237	130.7	1.4809	131.6	1.4663
DEC	72	73	134.9	1.4431	131.6	1.5437	123.0	1.3108	134.1	1.4650	133.0	1.4507
JAN	73	73	134.1	1.4510	130.9	1.5510	123.1	1.3098	133.4	1.4736	132.3	1.4583
FEB	73	73	134.9	1.4429	130.9	1.5515	122.8	1.3129	134.0	1.4665	132.9	1.4523
MAR	73	73	135.3	1.4383	132.6	1.5321	123.4	1.3063	134.7	1.4588	133.6	1.4447
APR	73	73	135.3	1.4387	132.7	1.5301	124.1	1.2992	134.7	1.4587	133.7	1.4439
MAY	73	73	136.3	1.4284	134.2	1.5129	124.2	1.2979	135.8	1.4470	134.7	1.4332
JUN	73	73	136.4	1.4264	135.2	1.5016	124.6	1.2945	136.2	1.4430	135.0	1.4293
JUL	73	74	136.2	1.4286	136.3	1.4903	125.2	1.2881	136.2	1.4423	135.1	1.4281
AUG	73	74	138.5	1.4048	136.5	1.4877	126.0	1.2791	138.1	1.4230	136.9	1.4098
SEP	73	74	139.1	1.3989	136.9	1.4836	126.6	1.2736	138.6	1.4175	137.4	1.4042
OCT	73	74	141.1	1.3797	137.3	1.4786	127.3	1.2667	140.2	1.4012	138.9	1.3889
NOV	73	74	141.7	1.3732	138.0	1.4721	127.9	1.2606	140.9	1.3947	139.6	1.3824
DEC	73	74	143.5	1.3565	140.9	1.4415	129.0	1.2496	142.9	1.3751	141.5	1.3637
JAN	74	74	144.5	1.3465	140.4	1.4464	128.9	1.2509	143.6	1.3682	142.2	1.3576
FEB	74	74	145.9	1.3340	141.4	1.4364	129.6	1.2446	144.9	1.3562	143.4	1.3461
MAR	74	74	147.2	1.3220	143.9	1.4100	130.4	1.2366	146.5	1.3414	144.9	1.3320
APR	74	74	148.0	1.3154	144.6	1.4044	131.0	1.2306	147.2	1.3348	145.6	1.3255
MAY	74	74	151.3	1.2865	154.1	1.3177	132.3	1.2186	151.9	1.2935	150.0	1.2869
JUN	74	74	152.3	1.2783	156.8	1.2954	134.3	1.2005	153.3	1.2822	151.4	1.2749
JUL	74	75	154.4	1.2603	160.0	1.2680	135.4	1.1905	155.7	1.2623	153.7	1.2559
AUG	74	75	157.3	1.2370	164.1	1.2224	135.4	1.1906	159.3	1.2336	156.9	1.2299
SEP	74	75	158.4	1.2288	167.0	1.2141	137.3	1.1745	160.3	1.2259	158.0	1.2214
OCT	74	75	161.3	1.2068	168.6	1.2046	137.6	1.1718	162.9	1.2063	160.4	1.2033
NOV	74	75	162.7	1.1963	169.3	1.1993	139.8	1.1529	164.2	1.1970	161.7	1.1932
DEC	74	75	163.5	1.1905	171.8	1.1824	141.9	1.1358	165.3	1.1886	163.0	1.1840
JAN	75	75	165.6	1.1755	177.3	1.1454	143.2	1.1257	168.2	1.1684	165.7	1.1647
FEB	75	75	166.0	1.1727	176.0	1.1536	144.0	1.1196	168.2	1.1682	165.8	1.1640
MAR	75	75	167.3	1.1634	174.7	1.1493	144.5	1.1161	169.4	1.1601	166.9	1.1563
APR	75	75	168.9	1.1524	177.0	1.1474	145.2	1.1100	170.7	1.1512	168.1	1.1477
MAY	75	75	170.4	1.1419	178.4	1.1384	145.6	1.1072	172.2	1.1411	169.6	1.1382
JUN	75	75	171.9	1.1320	177.5	1.1441	146.8	1.0982	173.2	1.1347	170.5	1.1316
JUL	75	76	172.6	1.1275	177.4	1.1445	147.0	1.0897	173.7	1.1313	171.1	1.1277
AUG	75	76	174.2	1.1170	178.1	1.1401	146.9	1.0974	175.1	1.1223	172.3	1.1201
SEP	75	76	175.1	1.1114	179.1	1.1337	147.6	1.0923	176.0	1.1165	173.2	1.1144
OCT	75	76	176.3	1.1042	179.5	1.1315	147.4	1.0937	177.0	1.1103	174.0	1.1089
NOV	75	76	177.8	1.0946	179.1	1.1339	147.5	1.0927	178.1	1.1034	175.0	1.1025
DEC	75	76	178.7	1.0894	181.4	1.1183	148.7	1.0841	179.3	1.0959	176.2	1.0949
JAN	76	76	179.1	1.0868	185.0	1.0976	149.6	1.0773	180.4	1.0892	177.3	1.0882
FEB	76	76	180.7	1.0772	185.3	1.0962	149.5	1.0785	181.7	1.0815	178.5	1.0812
MAR	76	76	181.8	1.0705	185.9	1.0925	149.7	1.0769	182.7	1.0755	179.4	1.0756
APR	76	76	181.2	1.0742	184.0	1.1039	149.8	1.0764	181.8	1.0809	178.6	1.0805
MAY	76	76	182.9	1.0644	186.2	1.0909	150.7	1.0699	183.6	1.0704	180.3	1.0703
JUN	76	76	183.0	1.0637	186.9	1.0864	151.7	1.0628	183.8	1.0689	180.6	1.0684

JUL	76	77	185.7	1.0443	189.5	1.0714	152.6	1.0567	186.5	1.0535	183.1	1.0538
AUG	76	77	185.5	1.0444	192.3	1.0563	153.2	1.0525	187.0	1.0510	183.6	1.0511
SEP	76	77	186.9	1.0415	194.0	1.0466	153.9	1.0478	188.5	1.0427	185.0	1.0431
OCT	76	77	189.2	1.0289	194.7	1.0432	154.9	1.0410	190.4	1.0322	186.8	1.0329
NOV	76	77	189.7	1.0258	195.3	1.0397	155.5	1.0367	191.0	1.0290	187.4	1.0296
DEC	76	77	190.4	1.0213	196.7	1.0323	158.5	1.0171	191.9	1.0238	188.5	1.0232
JAN	77	77	192.0	1.0138	198.6	1.0227	160.4	1.0052	193.5	1.0158	190.1	1.0149
FEB	77	77	192.7	1.0101	199.8	1.0162	159.9	1.0083	194.3	1.0115	190.8	1.0112
MAR	77	77	193.8	1.0044	202.7	1.0017	160.2	1.0065	195.8	1.0038	192.2	1.0040
APR	77	77	195.5	0.9956	202.7	1.0018	161.0	1.0016	197.1	0.9970	193.5	0.9974
MAY	77	77	196.9	0.9886	206.4	0.9841	162.1	0.9944	199.0	0.9876	195.3	0.9882
JUN	77	77	197.7	0.9843	208.5	0.9739	163.4	0.9838	200.1	0.9819	196.5	0.9820
JUL	77	77	198.2	0.9820	210.1	0.9664	164.7	0.9787	200.8	0.9784	197.2	0.9785
AUG	77	77	199.3	0.9764	210.2	0.9659	165.6	0.9733	201.7	0.9743	198.1	0.9742
SEP	77	77	200.1	0.9727	211.2	0.9616	167.9	0.9600	202.6	0.9701	199.1	0.9693

HISTORICAL INFLATION
QUARTERLY INDICES

QTR	CY	AIRFRAME PRODUCTION INDEX CY67=	AIRFRAME PRODUCTION FACTOR FY77=	ENGINE PRODUCTION INDEX CY67=	ENGINE PRODUCTION FACTOR FY77=	AVIONICS PRODUCTION INDEX CY67=	AVIONICS PRODUCTION FACTOR FY77=	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS INDEX CY67=	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS FACTOR FY77=	AGGREGATE AIR VEHICLE INCLUDING AVIONICS INDEX CY67=	AGGREGATE AIR VEHICLE INCLUDING AVIONICS FACTOR FY77=
1	67	100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000
4	67	100.1	1.9444	99.9	2.0321	100.3	1.6076	100.1	1.9639	100.1	1.9282
1	68	102.0	1.9082	102.5	1.9808	101.2	1.5931	102.1	1.9244	102.0	1.8916
2	68	102.5	1.8982	103.7	1.9580	103.0	1.5648	102.8	1.9116	102.8	1.8768
3	68	102.4	1.9016	103.8	1.9660	103.5	1.5577	102.7	1.9138	102.8	1.8779
4	68	103.8	1.8751	105.0	1.9344	104.6	1.5418	104.1	1.8884	104.1	1.8536
1	69	107.0	1.8196	106.2	1.8127	105.8	1.5245	106.8	1.8402	106.7	1.8089
2	69	108.4	1.7950	108.1	1.8783	106.9	1.5085	108.4	1.8134	108.2	1.7833
3	69	109.3	1.7810	109.2	1.8590	107.6	1.4983	109.3	1.7984	109.1	1.7688
4	69	110.3	1.7650	110.8	1.8336	108.8	1.4814	110.4	1.7803	110.2	1.7508
1	70	113.6	1.7140	114.8	1.7396	109.7	1.4491	114.3	1.7198	113.8	1.6956
2	70	115.0	1.6926	120.5	1.6856	111.1	1.4509	116.2	1.6909	115.7	1.6679
3	70	115.7	1.6829	121.1	1.6770	112.7	1.4311	116.9	1.6816	116.4	1.6573
4	70	117.6	1.6565	122.1	1.6627	114.4	1.4088	118.6	1.6564	118.2	1.6324
1	71	119.9	1.6240	123.8	1.6402	115.9	1.3913	120.7	1.6277	120.2	1.6049
2	71	119.8	1.6253	125.2	1.6221	117.3	1.3741	121.0	1.6246	120.6	1.6002
3	71	120.4	1.6136	126.9	1.6005	117.9	1.3674	122.0	1.6105	121.6	1.5870
4	71	121.1	1.6070	128.8	1.5768	118.0	1.3659	122.8	1.5999	122.3	1.5773
1	72	122.7	1.5868	129.7	1.5658	117.5	1.3719	124.2	1.5819	123.5	1.5619
2	72	125.0	1.5569	130.3	1.5516	119.4	1.3502	126.3	1.5557	125.6	1.5362
3	72	128.7	1.5128	130.8	1.5526	120.5	1.3381	127.1	1.5217	126.3	1.5045
4	72	128.9	1.5095	128.7	1.5776	121.6	1.3253	128.9	1.5046	128.2	1.5057
1	73	132.1	1.4610	130.2	1.5598	122.3	1.3183	130.5	1.4833	131.5	1.4679
2	73	134.8	1.4444	131.5	1.5448	123.1	1.3097	134.0	1.4663	132.9	1.4518
3	73	134.0	1.4312	134.1	1.5148	124.3	1.2972	135.6	1.4495	134.4	1.4354
4	73	134.0	1.4107	134.6	1.4872	125.9	1.2801	137.7	1.4275	136.5	1.4139
1	74	142.1	1.3697	138.7	1.4633	128.1	1.2589	141.3	1.3903	140.0	1.3782
2	74	145.9	1.3341	141.0	1.4310	129.6	1.2440	143.0	1.3552	143.5	1.3452
3	74	150.5	1.2932	151.8	1.3376	132.5	1.2164	150.8	1.3031	149.6	1.2954
4	74	156.7	1.2419	164.4	1.2354	136.0	1.1851	158.4	1.2404	156.2	1.2356
1	75	162.5	1.1978	169.9	1.1953	139.8	1.1533	164.1	1.1972	161.7	1.1934
2	75	166.3	1.1705	176.7	1.1494	143.9	1.1205	168.6	1.1656	166.1	1.1617
3	75	170.4	1.1428	177.6	1.1433	145.9	1.1051	172.0	1.1463	169.4	1.1391
4	75	174.0	1.1186	178.2	1.1394	147.5	1.0931	174.9	1.1233	172.2	1.1207
1	76	177.6	1.0960	180.1	1.1279	147.9	1.0906	176.1	1.1032	175.1	1.1021
2	76	180.5	1.0781	185.4	1.0955	149.8	1.0776	181.6	1.0821	178.4	1.0817
3	76	182.3	1.0674	185.7	1.0938	150.7	1.0697	183.1	1.0734	179.8	1.0731
4	76	184.0	1.0464	191.9	1.0580	153.2	1.0523	187.3	1.0490	183.9	1.0493
1	77	189.8	1.0253	195.6	1.0384	156.3	1.0315	191.1	1.0283	187.6	1.0286
2	77	192.8	1.0094	200.4	1.0134	160.2	1.0067	194.5	1.0103	191.1	1.0100
3	77	196.7	0.9895	205.9	0.9865	162.3	0.9931	198.7	0.9888	195.1	0.9892
4	77	199.2	0.9771	210.5	0.9648	166.1	0.9706	201.7	0.9743	198.1	0.9740

HISTORICAL INFLATION
FISCAL YEAR INDICES

FY	AIRFRAME PRODUCTION INDEX CY67= 100.0	AIRFRAME PRODUCTION FACTOR FY77= 1.0000	ENGINE PRODUCTION INDEX CY67= 100.0	ENGINE PRODUCTION FACTOR FY77= 1.0000	AVIONICS PRODUCTION INDEX CY67= 100.0	AVIONICS PRODUCTION FACTOR FY77= 1.0000	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS INDEX CY67= 100.0	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS FACTOR FY77= 1.0000	AGGREGATE AIR VEHICLE INCLUDING AVIONICS INDEX CY67= 100.0	AGGREGATE AIR VEHICLE INCLUDING AVIONICS FACTOR FY77= 1.0000
68	101.7	1.9129	102.5	1.9813	102.0	1.5805	101.9	1.9282	101.9	1.8934
69	107.1	1.8170	107.1	1.8957	104.2	1.5161	107.1	1.8345	107.0	1.8031
70	113.6	1.7130	117.3	1.7317	110.5	1.4579	114.4	1.7173	114.0	1.6921
71	119.5	1.6292	124.5	1.6310	116.4	1.3852	120.6	1.6296	120.2	1.6059
72	124.4	1.5651	130.0	1.5616	118.9	1.3564	125.6	1.5643	124.9	1.5445
73	133.2	1.4611	131.1	1.5489	122.8	1.3125	136.7	1.4804	131.8	1.4647
74	144.1	1.3505	142.3	1.4276	129.0	1.2494	143.7	1.3675	142.2	1.3568
75	164.0	1.1869	172.1	1.1797	141.4	1.1402	165.6	1.1653	163.4	1.1813
76	178.6	1.0897	182.3	1.1139	148.9	1.0826	179.4	1.0951	176.4	1.0941
77	186.0	1.0464	191.9	1.0580	153.2	1.0523	187.3	1.0490	183.9	1.0493
77	194.6	1.0000	203.1	1.0000	161.2	1.0000	196.5	1.0000	193.0	1.0000

APPENDIX H

Monthly Data for The Historical Inflation Program - - Raw Material Portion Only

MONTHLY DATA FOR

MATERIALS ONLY

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
	007X	130262	130274	150141	150137	220111	220161	250101	250113	250117	102502	250463	250588	117088	ELECT	ACPT	ENG	OTHER	
CY/MO	RUBBER	CR STL	STNLS	CAST	FORGE	LEAD	MAGNES	ALUMN	SC.STL	EXTRU	CP/BRS	MONEL	TI.MIL	ELECT	3674.9	3721	3722	3723.9	FY
67JUL	98.80	100.00	99.10	100.00	99.90	100.00	100.00	100.10	100.10	100.10	95.70	98.90	100.00	99.90	0.0	0.0	0.0	0.0	68
67AUG	100.90	100.00	99.10	100.00	99.90	100.00	100.00	100.10	100.10	100.10	96.80	98.90	100.00	99.70	0.0	0.0	0.0	0.0	68
67SEP	101.30	100.00	99.10	100.00	100.20	100.00	100.00	100.10	100.10	100.10	98.40	98.90	100.00	99.50	0.0	0.0	0.0	0.0	68
67OCT	101.90	100.00	101.40	100.00	100.20	100.00	100.00	100.10	100.10	100.10	100.80	103.20	100.00	99.40	0.0	0.0	0.0	0.0	68
67NOV	102.40	100.00	103.20	100.00	101.30	100.00	100.00	100.10	100.10	100.10	107.10	103.20	100.00	99.10	0.0	0.0	0.0	0.0	68
67DEC	102.30	100.00	103.20	100.00	101.30	100.00	100.00	100.10	100.10	100.10	107.50	103.20	100.00	99.90	0.0	0.0	0.0	0.0	68
68JAN	102.40	103.40	103.20	102.90	101.40	100.00	100.00	100.10	100.10	100.10	115.10	103.20	100.00	99.70	0.0	0.0	0.0	0.0	68
68FEB	102.50	103.40	103.20	103.10	101.40	100.00	100.00	100.10	100.10	100.10	119.50	105.40	100.00	99.40	0.0	0.0	0.0	0.0	68
68MAR	102.60	103.40	103.20	104.00	101.40	100.00	100.00	100.10	100.10	100.10	120.00	105.40	100.00	99.10	0.0	0.0	0.0	0.0	68
68APR	102.60	103.40	103.20	104.00	101.40	100.00	100.00	100.10	100.10	100.10	122.20	105.40	99.20	99.40	0.0	0.0	0.0	0.0	68
68MAY	102.70	103.40	103.20	104.00	101.40	92.90	100.00	100.10	100.10	100.10	107.40	105.40	99.20	99.50	0.0	0.0	0.0	0.0	68
68JUN	103.00	103.40	103.20	105.40	101.40	92.90	100.00	103.30	101.60	101.50	102.70	105.40	99.20	99.10	0.0	0.0	0.0	0.0	68
68JUL	103.50	103.40	103.20	106.80	101.40	92.90	100.00	104.20	101.60	104.50	99.30	105.40	99.20	99.00	0.0	0.0	0.0	0.0	69
68AUG	104.00	103.40	104.10	106.80	101.40	89.20	100.00	104.20	101.60	104.50	98.90	105.40	99.20	99.00	0.0	0.0	0.0	0.0	69
68SEP	104.00	107.20	103.30	108.00	101.40	89.20	100.00	104.20	86.20	104.50	98.90	105.40	99.20	99.00	0.0	0.0	0.0	0.0	69
68OCT	104.20	107.20	103.30	108.00	101.70	92.90	100.00	104.20	86.20	104.50	99.10	105.40	99.20	99.00	0.0	0.0	0.0	0.0	69
68NOV	104.30	107.20	102.30	108.00	104.50	92.90	100.00	104.20	86.20	104.50	101.00	105.40	99.20	99.10	0.0	0.0	0.0	0.0	69
68DEC	104.40	107.20	102.30	108.00	105.60	92.90	100.00	104.20	86.20	104.50	102.80	105.40	99.20	99.10	0.0	0.0	0.0	0.0	69
69JAN	103.20	107.20	105.40	108.50	105.60	96.50	100.00	104.20	86.20	104.50	109.30	110.50	99.20	98.90	0.0	0.0	0.0	0.0	69
69FEB	103.80	107.20	105.40	108.50	105.60	100.00	100.00	108.30	90.50	108.90	109.20	110.50	99.20	100.20	0.0	0.0	0.0	0.0	69
69MAR	104.10	107.20	105.40	110.50	105.60	100.00	100.00	109.30	90.50	109.40	110.40	110.50	99.20	100.40	0.0	0.0	0.0	0.0	69
69APR	104.40	107.20	106.20	110.50	105.60	103.50	100.00	110.50	89.60	110.70	113.00	110.50	99.20	100.60	0.0	0.0	0.0	0.0	69
69MAY	104.20	107.20	106.40	113.50	106.10	103.50	100.00	110.50	89.60	112.00	116.10	110.50	99.20	100.60	0.0	0.0	0.0	0.0	69
69JUN	104.30	107.20	110.60	113.60	107.80	107.10	100.00	110.50	89.60	112.30	116.50	110.50	99.20	100.60	0.0	0.0	0.0	0.0	69
69JUL	105.70	107.20	110.60	113.60	108.70	110.70	100.00	110.50	89.60	112.30	118.40	110.50	99.20	100.50	0.0	0.0	0.0	0.0	70
69AUG	106.10	112.90	110.60	115.30	108.70	110.70	100.00	110.50	91.00	112.80	123.20	110.50	99.20	100.60	0.0	0.0	0.0	0.0	70
69SEP	105.80	112.90	110.60	114.30	109.10	110.70	100.00	110.50	93.40	112.30	127.00	110.50	95.50	101.20	0.0	0.0	0.0	0.0	70
69OCT	106.60	112.90	124.80	114.30	109.10	110.70	100.00	110.50	93.40	114.10	127.80	110.50	95.50	101.40	0.0	0.0	0.0	0.0	70
69NOV	107.50	112.90	124.80	114.30	110.70	110.70	100.00	110.50	93.40	114.60	127.80	110.50	95.50	101.70	0.0	0.0	0.0	0.0	70
69DEC	107.50	112.90	125.80	114.30	113.50	114.30	100.00	110.50	93.40	117.80	131.80	130.90	95.50	101.40	0.0	0.0	0.0	0.0	70
70JAN	107.80	107.50	130.90	117.90	114.80	117.90	100.00	110.60	93.40	117.80	135.70	130.90	95.50	101.40	0.0	0.0	0.0	0.0	70
70FEB	107.70	113.10	130.90	117.90	114.90	117.90	100.00	110.60	93.40	117.80	135.00	130.90	95.50	100.20	0.0	0.0	0.0	0.0	70
70MAR	107.60	113.10	130.90	117.90	115.30	117.90	100.00	110.60	93.40	117.80	132.00	130.90	95.50	100.20	0.0	0.0	0.0	0.0	70
70APR	107.50	113.10	130.70	117.90	115.30	117.90	100.00	110.60	93.40	119.00	135.10	130.90	95.50	100.60	0.0	0.0	0.0	0.0	70
70MAY	107.20	113.10	130.90	117.90	115.70	117.90	100.00	110.60	93.40	121.50	136.70	130.90	95.50	99.80	0.0	0.0	0.0	0.0	70
70JUN	107.10	119.40	130.90	117.90	117.30	117.90	100.00	110.60	93.40	121.70	136.70	130.90	95.50	101.20	0.0	0.0	0.0	0.0	70
70JUL	108.50	119.40	130.90	120.40	118.40	110.80	100.00	110.60	93.40	121.70	133.20	130.90	95.50	101.20	0.0	0.0	0.0	0.0	71
70AUG	109.20	119.40	130.90	120.40	118.40	107.10	100.00	110.60	93.50	121.70	132.40	130.90	95.50	101.00	0.0	0.0	0.0	0.0	71
70SEP	109.20	119.40	130.90	120.40	118.40	108.40	100.00	110.60	93.50	121.90	124.80	133.10	95.50	101.50	0.0	0.0	0.0	0.0	71
70OCT	109.10	119.40	130.90	121.40	118.40	108.40	100.00	110.60	93.50	121.90	123.90	133.10	95.50	101.50	0.0	0.0	0.0	0.0	71
70NOV	109.00	119.40	130.90	121.40	118.40	108.40	100.00	110.60	93.50	121.90	123.10	136.00	95.50	101.90	0.0	0.0	0.0	0.0	71
70DEC	109.20	119.40	130.90	121.40	117.30	103.40	100.00	110.60	93.50	121.90	118.80	136.00	95.50	101.90	0.0	0.0	0.0	0.0	71
71JAN	108.30	119.40	130.80	122.60	119.80	96.40	103.60	110.60	93.40	121.50	115.20	136.00	100.00	102.80	0.0	0.0	0.0	0.0	71
71FEB	109.00	119.40	130.80	122.60	119.80	96.40	103.60	108.60	93.40	121.50	113.20	136.00	100.30	103.30	0.0	0.0	0.0	0.0	71
71MAR	109.00	119.40	130.80	122.60	119.80	96.40	103.60	108.60	93.40	121.50	112.60	140.40	101.70	103.70	0.0	0.0	0.0	0.0	71
71APR	108.80	119.40	130.80	125.20	119.80	96.40	103.60	108.60	93.40	121.50	120.50	140.40	103.70	103.10	0.0	0.0	0.0	0.0	71
71MAY	108.60	119.40	130.80	125.20	121.70	96.40	103.60	108.60	93.40	121.50	124.00	140.40	103.70	102.70	0.0	0.0	0.0	0.0	71
71JUN	108.60	119.40	138.10	125.80	124.30	96.40	103.60	108.60	93.40	121.50	120.70	140.40	103.70	103.00	0.0	0.0	0.0	0.0	71
71JUL	109.40	127.40	138.10	125.80	124.80	101.80	103.60	108.60	93.40	121.50	120.70	140.40	103.70	103.10	0.0	0.0	0.0	0.0	72
71AUG	109.80	127.40	138.10	126.80	125.00	101.80	103.60	108.60	93.40	121.50	120.00	140.40	103.70	103.20	0.0	0.0	0.0	0.0	72
71SEP	109.60	127.40	138.10	126.80	126.00	101.80	100.80	108.60	93.40	121.50	119.50	140.40	103.70	102.80	0.0	0.0	0.0	0.0	72

MONTHLY DATA FOR

MATERIALS ONLY

CY/MO	1 007X RUBBER	2 130242 CR STL	3 130724 STLS	4 150141 CAST	5 150153 FORGE	6 220111 LEAD	7 2201-1 MAGNES	8 250101 ALUMN	9 250113 SC.STR	10 250117 EXTRU	11 102506 CP/HRS	12 250463 MONEL	13 2505XX TI.MIL	14 117OXX ELECT	15 ELECT 3674,9	16 EFFT 3721	17 ENG 3722	18 OTHER 3723,9	FY
71OCT	109.40	127.40	138.10	126.80	125.00	101.80	100.80	108.60	93.40	121.50	119.50	140.40	103.70	102.80	0.0	0.0	0.0	0.0	72
71NOV	109.30	127.40	138.10	126.80	125.00	101.80	100.80	108.60	93.40	120.90	119.10	140.40	103.70	102.60	0.0	0.0	0.0	0.0	72
71DEC	109.30	127.40	137.10	126.80	125.00	101.10	100.80	108.60	93.40	120.90	117.70	140.40	103.70	102.50	0.0	0.0	0.0	0.0	72
72JAN	109.50	124.10	137.10	127.60	127.60	101.10	103.60	105.60	93.40	121.60	119.70	140.40	103.70	102.40	0.0	0.0	0.0	0.0	72
72FEB	109.20	134.50	137.10	127.60	129.00	103.60	103.60	105.60	93.40	121.60	121.60	140.40	106.80	103.40	0.0	0.0	0.0	0.0	72
72MAR	108.90	134.50	138.10	127.60	129.70	110.70	103.60	105.10	93.40	121.60	125.40	140.40	107.10	103.40	0.0	0.0	0.0	0.0	72
72APR	108.70	134.50	138.10	127.80	129.70	110.70	103.60	105.10	93.40	123.10	125.30	140.40	107.10	103.20	0.0	0.0	0.0	0.0	72
72MAY	108.80	134.50	138.10	127.80	130.70	112.50	103.60	105.10	94.90	123.80	125.50	140.40	107.40	104.00	0.0	0.0	0.0	0.0	72
72JUN	108.90	134.50	120.40	127.80	130.80	112.50	103.60	105.10	93.40	123.80	125.30	140.40	107.40	103.90	0.0	0.0	0.0	0.0	72
72JUL	109.20	134.50	120.40	127.80	131.30	112.50	103.60	105.10	93.40	123.80	123.50	140.40	107.40	104.00	0.0	0.0	0.0	0.0	73
72AUG	109.50	134.50	117.50	130.90	131.30	112.50	103.60	105.10	93.40	123.80	123.50	140.40	107.40	103.70	0.0	0.0	0.0	0.0	73
72SEP	109.50	134.50	117.50	130.90	131.30	110.70	103.60	105.10	93.40	123.80	125.30	140.40	107.40	103.30	0.0	0.0	0.0	0.0	73
72OCT	109.50	134.50	117.50	130.90	131.30	110.70	103.60	103.70	93.40	123.80	125.10	140.40	107.40	103.20	0.0	0.0	0.0	0.0	73
72NOV	109.80	134.50	117.50	130.90	131.30	108.00	103.60	103.70	93.40	123.80	125.70	140.40	107.40	103.20	0.0	0.0	0.0	0.0	73
72DEC	109.80	134.50	117.50	130.90	132.00	108.00	103.60	103.70	93.40	123.80	125.90	140.40	107.40	103.30	0.0	0.0	0.0	0.0	73
73JAN	110.00	134.50	117.50	130.90	132.00	108.00	106.40	103.70	93.40	123.80	126.20	140.40	107.40	103.60	0.0	0.0	0.0	0.0	73
73FEB	110.10	134.50	117.50	130.90	132.00	110.70	106.40	103.70	93.40	123.50	127.90	140.40	107.40	103.60	0.0	0.0	0.0	0.0	73
73MAR	110.30	134.50	117.50	130.90	134.00	116.30	106.40	103.70	93.40	123.80	137.00	149.80	107.40	103.70	0.0	0.0	0.0	0.0	73
73APR	110.60	134.50	117.50	132.30	138.00	116.30	106.40	104.40	93.40	123.80	138.50	149.80	107.10	104.00	0.0	0.0	0.0	0.0	73
73MAY	111.50	134.50	123.60	132.30	138.00	116.10	106.40	104.40	93.40	125.20	141.90	149.80	106.40	104.40	0.0	0.0	0.0	0.0	73
73JUN	112.60	134.50	124.50	132.30	138.20	117.00	106.40	104.40	93.40	125.60	142.10	149.80	108.20	104.50	0.0	0.0	0.0	0.0	73
73JUL	112.90	134.50	124.50	132.30	138.20	117.00	106.40	104.40	93.40	125.20	141.60	149.80	108.20	104.60	0.0	0.0	0.0	0.0	74
73AUG	113.10	134.50	124.50	133.00	138.20	117.00	106.40	104.40	93.40	125.20	140.60	149.80	109.00	104.60	0.0	0.0	0.0	0.0	74
73SEP	112.80	134.50	124.50	133.00	138.20	117.00	106.40	105.60	93.40	125.20	143.50	149.80	111.10	104.60	0.0	0.0	0.0	0.0	74
73OCT	114.00	137.50	124.50	133.00	138.20	117.90	106.40	106.70	93.40	125.90	146.50	149.80	111.10	104.80	0.0	0.0	0.0	0.0	74
73NOV	114.80	137.50	124.60	133.00	138.90	117.90	106.40	107.20	93.40	126.90	154.30	149.80	112.30	104.90	0.0	0.0	0.0	0.0	74
73DEC	116.50	137.50	124.60	133.00	138.90	132.10	106.40	109.40	93.40	126.90	160.40	149.80	114.70	105.70	0.0	0.0	0.0	0.0	74
74JAN	117.70	137.50	126.80	142.60	142.20	135.70	116.80	117.80	102.00	130.20	165.20	149.80	114.70	106.20	0.0	0.0	0.0	0.0	74
74FEB	119.80	137.50	128.60	143.50	142.50	135.70	116.80	117.80	102.00	134.00	165.40	149.80	114.70	106.40	0.0	0.0	0.0	0.0	74
74MAR	123.80	142.00	134.00	143.50	144.40	135.70	123.75	117.30	108.90	134.10	178.30	149.80	121.80	107.20	0.0	0.0	0.0	0.0	74
74APR	129.40	144.60	140.10	143.50	145.20	146.60	130.70	125.00	116.40	144.50	189.00	149.80	121.80	108.30	0.0	0.0	0.0	0.0	74
74MAY	133.70	155.80	153.60	161.00	152.20	153.60	153.00	127.10	116.40	146.20	200.30	175.30	123.10	109.60	0.0	0.0	0.0	0.0	74
74JUN	135.60	165.40	159.60	150.30	162.40	153.60	153.00	132.30	123.20	150.40	203.70	175.30	124.30	111.30	0.0	0.0	0.0	0.0	74
74JUL	139.50	182.30	163.00	163.80	167.30	175.00	180.80	144.30	132.20	152.20	198.70	175.30	137.50	112.10	0.0	0.0	0.0	0.0	75
74AUG	143.40	188.50	173.10	179.70	168.10	175.00	219.70	151.00	140.40	163.80	188.90	191.30	137.50	113.90	0.0	0.0	0.0	0.0	75
74SEP	145.60	188.50	174.90	182.50	168.10	175.00	208.60	151.00	140.40	163.80	184.90	191.30	139.00	113.30	0.0	0.0	0.0	0.0	75
74OCT	147.50	188.50	174.90	182.50	182.90	175.00	208.60	151.00	142.20	163.80	181.60	191.30	151.70	114.30	0.0	0.0	0.0	0.0	75
74NOV	148.50	188.50	175.80	182.50	182.90	175.00	208.60	151.00	144.10	162.80	172.70	191.30	151.70	116.80	0.0	0.0	0.0	0.0	75
74DEC	149.40	190.00	178.90	182.50	182.90	175.00	208.60	151.00	144.10	162.80	163.50	191.30	151.70	117.00	0.0	0.0	0.0	0.0	75
75JAN	149.60	189.10	178.90	182.50	182.90	175.00	228.10	151.00	144.10	162.10	159.10	219.60	163.40	117.30	0.0	0.0	0.0	0.0	75
75FEB	150.00	189.10	169.60	185.00	182.90	175.00	228.10	151.00	144.10	162.10	156.00	219.60	163.40	117.00	0.0	0.0	0.0	0.0	75
75MAR	149.70	189.10	169.30	198.40	182.90	175.00	228.10	151.00	144.10	165.20	148.80	219.60	162.20	116.60	0.0	0.0	0.0	0.0	75
75APR	149.40	189.10	169.30	198.40	185.90	175.00	228.10	151.00	144.10	165.20	150.90	219.60	164.60	116.30	0.0	0.0	0.0	0.0	75
75MAY	148.90	185.00	169.30	198.40	195.40	168.80	228.10	151.00	144.10	165.00	148.00	219.60	170.80	115.60	0.0	0.0	0.0	0.0	75
75JUN	148.60	185.00	162.60	198.40	195.40	135.70	228.10	151.00	144.10	165.50	147.90	219.60	170.80	115.70	0.0	0.0	0.0	0.0	75
75JUL	150.10	184.80	162.90	201.10	195.40	135.70	228.10	151.00	144.10	165.50	143.00	219.60	171.80	115.60	0.0	0.0	0.0	0.0	76
75AUG	150.00	184.80	162.90	201.10	195.40	135.70	228.10	157.20	147.20	171.00	145.60	219.60	171.80	115.10	0.0	0.0	0.0	0.0	76
75SEP	150.80	184.80	162.90	201.10	195.40	142.90	228.10	157.20	147.20	171.00	147.10	219.60	171.80	114.50	0.0	0.0	0.0	0.0	76
75OCT	151.50	197.00	162.40	201.10	195.40	142.90	228.10	153.40	147.20	170.70	150.20	219.60	171.80	113.90	0.0	0.0	0.0	0.0	76
75NOV	151.80	197.00	156.90	201.10	196.80	142.90	228.10	153.40	147.20	170.70	151.30	219.60	171.80	114.30	0.0	0.0	0.0	0.0	76
75DEC	151.90	197.00	156.70	201.10	198.40	142.90	228.10	153.40	147.20	170.30	150.00	219.60	171.80	114.30	0.0	0.0	0.0	0.0	76

MONTHLY DATA FOR

MATERIALS ONLY

CY/MO	1 007X RUBBER	2 130262 CR STL	3 130224 ST I S	4 150141 CAST	5 150153 FORGE	6 220111 LEAD	7 220151 MAGNES	8 250101 ALUMN	9 250113 SC.STK	10 25011/ EXTRU	11 102502 CP/BRS	12 250443 MONEL	13 2505XX TI.MIL	14 117BXX ELECT	15 ELECT 3674.9	16 ACFT 3721	17 ENG 3722	18 OTHER 3723.9	FY
76JAN	152.30	197.00	162.60	214.80	198.40	135.70	242.00	157.20	147.20	169.80	149.20	241.50	171.80	114.50	0.0	0.0	0.0	0.0	76
76FEB	154.20	197.00	162.60	214.80	198.40	135.70	242.00	158.80	147.20	169.80	150.10	241.50	171.80	114.90	0.0	0.0	0.0	0.0	76
76MAR	155.50	197.00	162.60	214.80	210.80	135.70	242.00	163.50	147.20	169.80	152.10	241.50	171.80	114.70	0.0	0.0	0.0	0.0	76
76APR	156.70	197.00	162.60	214.80	210.20	150.00	242.00	163.50	147.20	169.80	163.20	241.50	171.80	114.90	0.0	0.0	0.0	0.0	76
76MAY	157.10	197.00	162.60	214.80	210.20	162.[illegible]0	242.00	169.30	154.60	17[illegible].30	166.70	241.50	171.80	115.00	0.0	0.0	0.0	0.0	76
76JUN	157.20	204.10	162.60	214.80	215.20	164.30	242.00	175.90	154.60	180.40	166.70	241.50	171.80	115.40	0.0	0.0	0.0	0.0	76
76JUL	158.20	204.10	162.60	214.80	219.50	176.80	255.90	175.90	154.60	180.70	166.80	241.50	171.80	115.40	0.0	0.0	0.0	0.0	7T
76AUG	161.00	204.10	172.40	218.40	220.60	176.80	255.90	175.90	154.60	186.90	171.40	241.50	171.80	115.50	0.0	0.0	0.0	0.0	7T
76SEP	163.60	209.10	176.30	218.40	220.60	176.80	255.90	190.30	158.80	197.50	172.40	241.50	171.80	115.80	0.0	0.0	0.0	0.0	7T
76OCT	164.50	209.10	176.30	218.40	220.60	183.00	255.90	190.30	158.80	197.50	174.10	241.50	171.80	116.20	0.0	0.0	0.0	0.0	77
76NOV	164.80	209.10	176.30	218.40	220.60	183.00	255.90	190.30	158.80	197.50	169.90	241.50	171.80	116.40	0.0	0.0	0.0	0.0	77
76DEC	164.60	220.90	176.30	218.40	224.70	183.00	255.90	190.30	158.80	197.50	161.60	241.50	171.80	116.60	0.0	0.0	0.0	0.0	77
77JAN	164.50	222.60	185.00	218.40	231.00	186.30	255.90	190.30	158.80	197.50	159.00	241.50	171.80	117.90	0.0	0.0	0.0	0.0	77
77FEB	164.00	222.60	186.60	220.40	231.80	207.10	267.00	190.30	158.80	197.50	160.40	241.50	171.80	118.20	0.0	0.0	0.0	0.0	77
77MAR	164.30	222.60	186.60	230.40	231.80	221.40	267.00	190.30	158.80	197.50	167.40	262.60	171.80	118.20	0.0	0.0	0.0	0.0	77
77APR	165.90	222.60	186.60	233.40	231.80	221.40	267.00	196.00	161.50	208.70	175.30	262.60	171.80	118.80	0.0	0.0	0.0	0.0	77
77MAY	166.40	222.60	200.10	235.70	231.80	221.40	267.00	199.80	158.80	208.70	175.30	262.60	169.80	118.80	0.0	0.0	0.0	0.0	77
77JUN	167.40	222.60	203.[illegible]0	235.70	231.80	221.40	267.00	203.70	167.80	209.30	172.90	262.60	169.80	118.90	0.0	0.0	0.0	0.0	77
77JUL	168.90	237.40	205.60	235.70	234.20	221.40	275.40	190.60	167.80	218.30	173.10	262.60	169.80	118.70	0.0	0.0	0.0	0.0	77
77AUG	169.10	237.40	205.60	239.40	234.20	221.40	275.40	190.60	167.80	220.20	170.20	262.60	170.10	118.80	0.0	0.0	0.0	0.0	77
77SEP	169.40	237.40	202.70	239.40	240.10	221.40	275.40	190.60	167.80	220.20	163.10	262.60	168.90	120.50	0.0	0.0	0.0	0.0	77

APPENDIX G

ANNUAL DATA FOR THE HISTORICAL INFLATION PROGRAM -- RAW MATERIAL PORTION ONLY

ANNUAL CALENDAR YEAR DATA

MATERIALS ONLY

	1	2	3														
47	70.5	54.9	0.0														
48	72.8	62.5	0.0														
49	70.5	63.0	0.0														
50	85.9	66.3	0.0														
51	105.4	73.8	0.0														
52	95.5	73.9	0.0														
53	89.1	76.3	0.0														
54	90.4	76.9	0.0														
55	102.4	82.1	0.0														
56	103.8	89.2	0.0														
57	103.4	91.0	0.0														
58	103.30	93.10	125.70	93.20	94.20	86.70	100.00	107.80	107.80	107.80	74.10	70.50	149.30	99.90	0.0	0.0	0.0	0.0
59	102.90	94.70	121.50	96.40	96.40	87.20	100.00	106.00	106.00	106.00	80.50	70.50	122.40	99.50	0.0	0.0	0.0	0.0
60	103.10	94.70	120.20	96.80	96.80	85.20	100.00	110.80	110.80	110.80	81.70	87.20	117.90	98.20	0.0	0.0	0.0	0.0
61	99.20	94.70	118.60	97.00	97.00	77.40	100.00	111.30	111.30	111.30	75.00	89.40	108.10	98.20	0.0	0.0	0.0	0.0
62	96.30	94.70	115.40	97.00	97.00	58.70	100.00	108.70	108.70	108.70	73.90	91.60	101.00	96.70	0.0	0.0	0.0	0.0
63	96.80	96.90	107.00	97.00	97.00	79.60	100.00	102.90	102.90	102.90	73.40	91.60	97.30	95.70	0.0	0.0	0.0	0.0
64	95.50	98.00	94.40	97.10	97.10	97.00	100.00	101.40	101.40	101.40	78.50	90.60	97.30	95.10	0.0	0.0	0.0	0.0
65	95.90	98.00	91.40	98.10	98.10	114.30	100.00	98.40	98.40	98.40	88.10	90.00	98.80	95.10	0.0	0.0	0.0	0.0
66	97.50	98.80	91.60	99.00	97.90	107.20	100.00	98.50	98.50	98.50	94.00	94.20	100.00	97.70	0.0	0.0	0.0	0.0
67	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	0.0	0.0	0.0	0.0
68	103.40	104.70	103.10	105.70	102.00	94.80	100.00	102.40	95.80	102.40	107.30	105.20	99.30	99.20	0.0	0.0	0.0	0.0
69	105.30	107.50	112.50	113.40	108.10	106.50	100.00	109.70	91.00	112.00	119.20	116.20	98.00	100.70	0.0	0.0	0.0	0.0
70	108.30	116.40	130.90	119.50	117.10	112.10	100.00	110.60	93.60	120.60	130.60	136.10	95.50	101.00	0.0	0.0	0.0	0.0
71	109.10	123.40	135.00	125.30	122.90	99.00	102.70	106.70	93.40	121.40	116.60	139.70	102.80	102.40	0.0	0.0	0.0	0.0
72	109.30	133.60	126.40	120.00	130.50	109.60	103.60	104.80	93.60	123.20	124.30	140.40	107.00	103.40	0.0	0.0	0.0	0.0
73	112.40	135.30	122.10	132.20	136.90	117.00	106.40	105.20	93.40	125.10	141.70	140.20	109.20	104.40	0.0	0.0	0.0	0.0
74	136.20	147.60	157.10	143.90	141.80	159.10	173.20	134.40	126.00	150.90	182.70	173.50	132.50	111.40	0.0	0.0	0.0	0.0
75	150.20	180.30	165.30	134.80	191.90	154.00	228.10	152.60	145.40	167.00	149.90	219.60	168.80	115.50	0.0	0.0	0.0	0.0
76	159.20	205.00	168.00	214.30	215.20	163.80	249.00	176.10	163.50	182.70	163.90	241.50	171.80	115.40	0.0	0.0	0.0	0.0

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14)

APPENDIX I

HISTORICAL INFLATION INDICES :

RAW MATERIAL PORTION ONLY.

HISTORICAL INFLATION
PRE-1958 INDICES

RAW MATERIAL PORTION ONLY

	AIRFRAME PRODUCTION		ENGINE PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS	
	INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR
CY	CY47= 100.0	FY77= 1.0000	CY67= 100.0	FY77= 1.0000	CY67= 100.0	FY77= 1.0000
--	-----	------	-----	------	-----	------
47	17.0	2.6351	36.2	3.0106	21.3	2.7771
48	19.2	2.3337	41.2	2.6457	24.1	2.4522
49	19.3	2.3224	41.5	2.6251	24.2	2.4316
50	20.6	2.1803	43.7	2.4929	25.7	2.2985
51	23.1	1.9412	48.7	2.2385	28.8	2.0530
52	22.4	1.9665	48.7	2.2365	28.6	2.0524
53	23.4	1.9112	50.3	2.1671	29.4	2.0084
54	23.6	1.8953	50.7	2.1502	29.7	1.9921
55	25.4	1.7665	54.1	2.0135	31.8	1.8600
56	27.4	1.6353	58.8	1.8537	34.4	1.7183
57	27.9	1.6059	60.0	1.8172	35.0	1.6863

HISTORICAL INFLATION
CALENDAR YEAR INDICES

RAW MATERIAL PORTION ONLY

	AIRFRAME PRODUCTION		ENGINE PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=	INDEX CY67=	FACTOR FY77=
CY	100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000
--	-----	------	-----	------	-----	------	-----	------	-----	------
58	27.7	1.6160	54.6	1.8293	31.5	1.1828	34.4	1.6471	34.5	1.6502
59	25.8	1.7306	56.3	1.9362	31.3	1.1876	32.6	1.8131	32.5	1.7527
60	26.2	1.7110	57.9	1.8813	30.9	1.2033	33.2	1.7764	33.0	1.7231
61	25.4	1.7446	57.0	1.9122	30.9	1.2033	32.4	1.8223	32.3	1.7829
62	24.5	1.8258	55.8	1.9529	30.5	1.2220	31.5	1.8755	31.4	1.8121
63	23.7	1.8947	53.2	2.0479	30.1	1.2368	30.2	1.9543	30.2	1.8826
64	23.5	1.9033	49.8	2.1893	30.0	1.2426	29.4	2.0110	29.4	1.9368
65	23.6	1.8991	49.0	2.2225	30.0	1.2426	29.3	2.0195	29.3	1.9402
66	23.8	1.8807	49.4	2.1996	30.4	1.2265	29.6	1.9961	29.7	1.9146
67	24.1	1.8580	52.8	2.0635	31.5	1.1817	30.5	1.9376	30.6	1.8598
68	24.5	1.8280	54.3	2.0056	31.2	1.1932	31.1	1.8974	31.1	1.8266
69	25.5	1.7570	57.4	1.8858	31.7	1.1735	32.1	1.8073	32.5	1.7456
70	26.2	1.7081	55.3	1.9580	31.4	1.1700	34.0	1.6918	34.6	1.6639
71	26.2	1.7120	57.7	1.8704	32.3	1.1540	33.4	1.6888	33.1	1.6215
72	26.6	1.6858	55.9	1.9533	32.6	1.1428	33.3	1.6764	33.0	1.6232
73	27.3	1.6430	54.2	1.9566	32.9	1.1319	33.4	1.6445	33.6	1.5971
74	34.2	1.3120	82.9	1.3150	35.1	1.0507	43.0	1.3132	44.0	1.2931
75	39.1	1.1456	95.7	1.1382	36.4	1.0231	51.7	1.1425	50.2	1.1338
76	42.2	1.0613	100.6	1.0833	36.4	1.0240	53.2	1.0702	53.3	1.0671

HISTORICAL INFLATION
MONTHLY INDICES

RAW MATERIAL PORTION ONLY

			AIRFRAME PRODUCTION		ENGINE PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
	CY	FY	INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000	INDEX CY67= 100.0	FACTOR FY77= 1.0000
JUL	67	68	24.0	1.8659	52.4	2.0792	31.4	1.1840	30.3	1.9478	30.4	1.8689
AUG	67	68	24.1	1.8628	52.4	2.0790	31.4	1.1852	30.4	1.9457	30.5	1.8673
SEP	67	68	24.1	1.8585	52.4	2.0786	31.3	1.1876	30.4	1.9429	30.5	1.8652
OCT	67	68	24.2	1.8523	53.7	2.0302	31.3	1.1888	30.7	1.9213	30.8	1.8468
NOV	67	68	24.3	1.8460	54.1	2.0138	31.2	1.1924	30.9	1.9113	30.9	1.8387
DEC	67	68	24.3	1.8433	54.1	2.0136	31.5	1.1828	30.9	1.9095	31.0	1.8357
JAN	68	68	24.5	1.8322	54.1	2.0128	31.4	1.1852	31.1	1.9022	31.1	1.8298
FEB	68	68	24.6	1.8254	54.5	2.0013	31.3	1.1888	31.2	1.8937	31.2	1.8229
MAR	68	68	24.6	1.8243	54.5	2.0013	31.2	1.1924	31.2	1.8929	31.2	1.8229
APR	68	68	24.5	1.8258	54.4	2.0035	31.3	1.1888	31.2	1.8947	31.2	1.8238
MAY	68	68	24.3	1.8437	54.4	2.0048	31.3	1.1876	31.0	1.9065	31.0	1.8339
JUN	68	68	24.5	1.8287	54.4	2.0040	31.2	1.1924	31.1	1.8967	31.2	1.8262
JUL	68	69	24.6	1.8182	54.4	2.0035	31.2	1.1936	31.3	1.8899	31.3	1.8204
AUG	68	69	24.7	1.8141	54.6	1.9948	31.2	1.1936	31.3	1.8866	31.3	1.8176
SEP	68	69	24.4	1.8333	54.4	2.0037	31.2	1.1936	31.1	1.8995	31.1	1.8287
OCT	68	69	24.5	1.8325	54.4	2.0036	31.2	1.1936	31.1	1.8990	31.1	1.8283
NOV	68	69	24.5	1.8301	54.1	2.0135	31.2	1.1924	31.1	1.9011	31.1	1.8299
DEC	68	69	24.5	1.8281	54.1	2.0131	31.2	1.1924	31.1	1.8996	31.1	1.8287
JAN	69	69	24.6	1.8182	55.7	1.9571	31.2	1.1948	31.5	1.8727	31.5	1.8057
FEB	69	69	25.1	1.7828	55.7	1.9569	31.6	1.1793	31.9	1.8495	31.9	1.7832
MAR	69	69	25.2	1.7752	55.8	1.9544	31.6	1.1770	32.0	1.8445	32.0	1.7785
APR	69	69	25.4	1.7638	56.0	1.9463	31.7	1.1746	32.2	1.8343	32.2	1.7693
MAY	69	69	25.5	1.7557	56.1	1.9440	31.7	1.1746	32.3	1.8283	32.2	1.7640
JUN	69	69	25.6	1.7541	57.2	1.9060	31.7	1.1746	32.6	1.8133	32.5	1.7510
JUL	69	70	25.6	1.7498	57.2	1.9056	31.7	1.1758	32.6	1.8105	32.5	1.7487
AUG	69	70	25.8	1.7400	57.2	1.9050	31.7	1.1746	32.7	1.8040	32.6	1.7429
SEP	69	70	25.6	1.7524	56.9	1.9147	31.9	1.1677	32.5	1.8155	32.5	1.7519
OCT	69	70	25.7	1.7452	61.2	1.7812	31.9	1.1654	33.6	1.7598	33.4	1.7029
NOV	69	70	25.8	1.7368	61.0	1.7866	32.0	1.1619	33.6	1.7569	33.5	1.6999
DEC	69	70	26.1	1.7183	63.8	1.7092	31.9	1.1654	34.5	1.7145	34.2	1.6633
JAN	70	70	26.2	1.7134	65.1	1.6735	31.9	1.1654	34.6	1.6968	34.5	1.6477
FEB	70	70	26.2	1.7135	65.1	1.6736	31.8	1.1793	34.6	1.6969	34.5	1.6495
MAR	70	70	26.1	1.7168	65.1	1.6737	31.6	1.1793	34.6	1.6989	34.5	1.6513
APR	70	70	26.2	1.7104	65.1	1.6747	31.7	1.1746	34.6	1.6956	34.5	1.6478
MAY	70	70	26.3	1.7023	65.1	1.6729	31.4	1.1840	35.0	1.6901	34.6	1.6441
JUN	70	70	26.3	1.7016	65.2	1.6726	31.9	1.1677	35.0	1.6893	34.7	1.6413
JUL	70	71	26.3	1.7021	65.2	1.6726	31.9	1.1677	35.0	1.6899	34.6	1.6418
AUG	70	71	26.3	1.7021	65.2	1.6726	31.8	1.1700	35.0	1.6899	34.6	1.6421
SEP	70	71	26.2	1.7085	65.4	1.6654	32.0	1.1642	34.9	1.6906	34.6	1.6420
OCT	70	71	26.2	1.7089	65.4	1.6655	32.0	1.1642	34.9	1.6908	34.6	1.6422
NOV	70	71	26.2	1.7084	65.4	1.6655	32.1	1.1596	35.0	1.6863	34.7	1.6376
DEC	70	71	26.2	1.7127	65.4	1.6656	32.1	1.1596	35.0	1.6888	34.7	1.6399
JAN	71	71	26.1	1.7174	65.3	1.6645	32.4	1.1495	34.9	1.6910	34.7	1.6405
FEB	71	71	26.0	1.7246	65.3	1.6644	32.5	1.1439	34.9	1.6951	34.6	1.6433
MAR	71	71	26.1	1.7168	65.4	1.6668	32.7	1.1395	35.1	1.6831	34.9	1.6321
APR	71	71	26.4	1.6993	65.4	1.6725	32.5	1.1461	35.3	1.6713	35.1	1.6226

MAY	71	71	26.4	1.6960	66.8	1.6320	32.4	1.1500	35.4	1.6692	35.1	1.6214
JUN	71	71	26.4	1.6942	66.7	1.5863	32.4	1.1472	35.4	1.6510	35.4	1.6049
JUL	71	72	26.4	1.6968	66.7	1.5863	32.5	1.1461	35.4	1.6496	35.5	1.6035
AUG	71	72	26.4	1.6966	66.7	1.5863	32.5	1.1450	35.4	1.6495	35.5	1.6033
SEP	71	72	26.4	1.6965	66.6	1.5877	32.4	1.1495	35.4	1.6513	35.4	1.6054
OCT	71	72	26.4	1.6968	66.6	1.5877	32.4	1.1495	35.4	1.6514	35.4	1.6055
NOV	71	72	26.3	1.7000	66.6	1.5878	32.3	1.1517	35.7	1.6527	35.4	1.6069
DEC	71	72	26.3	1.7024	66.4	1.5940	32.3	1.1528	35.7	1.6562	35.3	1.6102
JAN	72	72	26.2	1.7041	66.4	1.5924	32.3	1.1540	35.6	1.6587	35.3	1.6126
FEB	72	72	26.5	1.6918	66.7	1.5865	32.4	1.1428	35.4	1.6470	35.5	1.6008
MAR	72	72	26.5	1.6886	66.0	1.5798	32.4	1.1428	35.6	1.6422	35.6	1.5966
APR	72	72	26.6	1.6860	66.0	1.5796	32.5	1.1450	36.0	1.6401	35.7	1.5949
MAY	72	72	26.7	1.6900	66.0	1.5788	32.4	1.1362	36.1	1.6370	35.4	1.5911
JUN	72	72	26.7	1.6814	64.4	1.6928	32.7	1.1373	35.0	1.6860	34.8	1.6344
JUL	72	73	26.6	1.6828	64.4	1.6928	32.4	1.1362	35.0	1.6869	34.8	1.6350
AUG	72	73	26.7	1.6813	63.6	1.7130	32.7	1.1395	34.9	1.6942	34.6	1.6419
SEP	72	73	26.7	1.6796	63.6	1.7129	32.5	1.1439	34.9	1.6931	34.7	1.6415
OCT	72	73	26.6	1.6847	63.6	1.7132	32.5	1.1450	34.8	1.6963	34.6	1.6445
NOV	72	73	26.6	1.6838	63.6	1.7131	32.5	1.1450	34.8	1.6957	34.6	1.6440
DEC	72	73	26.6	1.6836	63.6	1.7130	32.5	1.1439	34.8	1.6955	34.6	1.6437
JAN	73	73	26.6	1.6816	63.7	1.7113	32.6	1.1406	34.9	1.6938	34.7	1.6417
FEB	73	73	26.7	1.6800	63.7	1.7112	32.6	1.1406	34.9	1.6926	34.7	1.6407
MAR	73	73	26.9	1.6752	65.0	1.6765	32.7	1.1395	35.4	1.6702	35.1	1.6208
APR	73	73	27.0	1.6724	65.0	1.6763	32.8	1.1362	35.4	1.6680	35.2	1.6185
MAY	73	73	27.0	1.6670	66.5	1.6381	32.9	1.1319	35.8	1.6492	35.5	1.6013
JUN	73	73	27.2	1.6671	67.0	1.6275	32.9	1.1308	36.0	1.6390	35.7	1.5922
JUL	73	74	27.2	1.6682	67.0	1.6275	32.9	1.1297	36.0	1.6397	35.7	1.5926
AUG	73	74	27.2	1.6653	67.0	1.6261	32.9	1.1297	36.1	1.6373	35.8	1.5906
SEP	73	74	27.5	1.6308	67.2	1.6214	32.9	1.1297	36.3	1.6270	36.0	1.5815
OCT	73	74	27.7	1.6207	67.2	1.6212	33.0	1.1275	36.4	1.6209	36.1	1.5758
NOV	73	74	27.9	1.6038	67.4	1.6175	33.0	1.1263	36.7	1.6094	36.3	1.5655
DEC	73	74	28.4	1.5799	67.6	1.6122	33.3	1.1179	37.1	1.5930	36.7	1.5499
JAN	74	74	29.3	1.5284	68.5	1.5901	33.5	1.1127	38.0	1.5531	37.6	1.5139
FEB	74	74	29.5	1.5174	69.0	1.5786	33.5	1.1106	38.3	1.5419	37.8	1.5037
MAR	74	74	30.5	1.4692	71.5	1.5247	33.8	1.1023	39.6	1.4915	39.0	1.4578
APR	74	74	31.7	1.4118	73.1	1.4897	34.1	1.0911	40.9	1.4428	40.3	1.4130
MAY	74	74	32.8	1.3683	80.9	1.3474	34.5	1.0786	43.4	1.3596	42.6	1.3368
JUN	74	74	33.5	1.3377	82.7	1.3178	35.1	1.0617	44.4	1.3295	43.5	1.3079
JUL	74	75	35.5	1.2624	86.6	1.2728	35.3	1.0541	46.6	1.2667	45.5	1.2502
AUG	74	75	36.9	1.2152	91.2	1.1949	35.9	1.0375	49.0	1.2068	47.6	1.1940
SEP	74	75	36.9	1.2142	91.5	1.1905	35.7	1.0430	49.0	1.2044	47.7	1.1923
OCT	74	75	37.8	1.1844	92.6	1.1766	36.0	1.0338	50.0	1.1827	48.6	1.1716
NOV	74	75	37.8	1.1911	92.8	1.1738	36.8	1.0117	49.9	1.1840	48.6	1.1710
DEC	74	75	37.5	1.1951	93.6	1.1660	36.9	1.0100	50.0	1.1821	48.7	1.1691
JAN	75	75	38.5	1.1635	95.8	1.1028	36.9	1.0074	51.9	1.1378	50.4	1.1262
FEB	75	75	38.5	1.1643	96.4	1.1308	36.9	1.0100	51.4	1.1503	49.9	1.1399
MAR	75	75	38.5	1.1640	96.2	1.1328	36.7	1.0134	51.3	1.1510	49.9	1.1409
APR	75	75	38.7	1.1585	96.4	1.1304	36.6	1.0161	51.5	1.1468	50.0	1.1372
MAY	75	75	39.0	1.1486	96.9	1.1243	36.4	1.0222	51.9	1.1385	50.3	1.1301
JUN	75	75	39.0	1.1489	96.2	1.1440	36.4	1.0213	51.5	1.1473	50.0	1.1381
JUL	75	76	39.1	1.1475	96.3	1.1431	36.4	1.0222	51.6	1.1457	50.0	1.1367
AUG	75	76	39.7	1.1288	96.4	1.1421	36.3	1.0246	52.1	1.1342	50.5	1.1265
SEP	75	76	39.8	1.1275	96.4	1.1421	36.1	1.0320	52.1	1.1334	50.5	1.1262
OCT	75	76	39.6	1.1313	96.3	1.1430	35.9	1.0375	52.0	1.1364	50.4	1.1294
NOV	75	76	39.6	1.1306	96.8	1.1413	36.0	1.0338	51.7	1.1430	50.1	1.1352
DEC	75	76	39.6	1.1317	96.8	1.1413	36.0	1.0338	51.6	1.1439	50.1	1.1360
JAN	76	76	40.1	1.1170	98.7	1.1044	36.1	1.0320	53.1	1.1119	51.4	1.1063
FEB	76	76	40.3	1.1130	98.7	1.1044	36.2	1.0284	53.2	1.1094	51.5	1.1038
MAR	76	76	40.4	1.1092	98.8	1.1031	36.1	1.0302	53.5	1.1037	51.8	1.0986
APR	76	76	40.8	1.0984	98.8	1.1028	36.2	1.0284	53.7	1.1002	51.9	1.0952

MAY	76	76	41.5	1.0740	99.9	1.1017	36.2	1.0275	54.3	1.0882	52.5	1.0840
JUN	76	76	42.1	1.0433	99.0	1.1004	36.4	1.0240	54.8	1.0783	52.9	1.0745
JUL	76	77	42.3	1.0592	99.4	1.0967	36.4	1.0240	55.0	1.0743	53.1	1.0706
AUG	76	77	42.7	1.0497	102.0	1.0685	36.4	1.0231	55.9	1.0573	53.9	1.0550
SEP	76	77	44.1	1.0154	103.2	1.0561	36.5	1.0204	57.2	1.0365	55.1	1.0317
OCT	76	77	44.1	1.0154	103.2	1.0560	36.6	1.0154	57.3	1.0317	55.2	1.0307
NOV	76	77	44.1	1.0170	103.2	1.0557	36.7	1.0156	57.2	1.0365	55.2	1.0313
DEC	76	77	44.0	1.0174	103.2	1.0558	36.7	1.0134	57.1	1.0341	55.1	1.0327
JAN	77	77	43.9	1.0204	105.5	1.0323	37.1	1.0023	57.5	1.0255	55.6	1.0239
FEB	77	77	44.0	1.0180	106.2	1.0284	37.2	0.9997	57.5	1.0214	55.8	1.0200
MAR	77	77	44.4	1.0049	104.1	0.9991	37.2	0.9997	56.5	1.0055	56.6	1.0051
APR	77	77	45.4	0.9875	104.2	0.9851	37.4	0.9947	59.5	0.9918	57.4	0.9920
MAY	77	77	45.5	0.9861	112.5	0.9677	37.4	0.9947	60.4	0.9785	58.1	0.9795
JUN	77	77	45.8	0.9786	113.5	0.9600	37.5	0.9938	60.9	0.9708	58.5	0.9723
JUL	77	77	45.6	0.9835	114.3	0.9636	37.4	0.9953	60.5	0.9711	58.5	0.9727
AUG	77	77	45.6	0.9818	114.3	0.9636	37.4	0.9947	60.4	0.9700	58.6	0.9716
SEP	77	77	45.5	0.9858	113.4	0.9606	38.0	0.9806	60.6	0.9753	58.3	0.9757

HISTORICAL INFLATION
QUARTERLY INDICES

RAW MATERIAL PORTION ONLY

QTR	CY	AIRFRAME PRODUCTION INDEX CY67=	AIRFRAME PRODUCTION FACTOR FY77=	ENGINE PRODUCTION INDEX CY67=	ENGINE PRODUCTION FACTOR FY77=	AVIONICS PRODUCTION INDEX CY67=	AVIONICS PRODUCTION FACTOR FY77=	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS INDEX CY67=	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS FACTOR FY77=	AGGREGATE AIR VEHICLE INCLUDING AVIONICS INDEX CY67=	AGGREGATE AIR VEHICLE INCLUDING AVIONICS FACTOR FY77=
		100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000	100.0	1.0000
3	67	24.1	1.8624	52.4	2.0783	31.4	1.1856	30.4	1.9455	30.5	1.8672
4	67	24.3	1.8472	52.0	2.0192	31.3	1.1880	30.9	1.9140	30.9	1.8404
1	68	24.5	1.8277	52.3	2.0051	31.3	1.1888	31.2	1.8962	31.2	1.8252
2	68	24.5	1.8327	52.4	2.0041	31.3	1.1896	31.1	1.8993	31.1	1.8279
3	68	24.6	1.8232	52.5	2.0004	31.2	1.1936	31.2	1.8920	31.2	1.8222
4	68	24.5	1.8302	52.2	2.0100	31.2	1.1928	31.1	1.8999	31.1	1.8290
1	69	25.0	1.7919	53.7	1.9555	31.4	1.1838	31.8	1.8555	31.8	1.7891
2	69	25.5	1.7579	54.4	1.9319	31.7	1.1746	32.4	1.8253	32.3	1.7614
3	69	25.6	1.7474	57.1	1.9084	31.7	1.1727	32.8	1.8100	32.5	1.7478
4	69	25.9	1.7334	52.0	1.7583	32.0	1.1642	33.9	1.7435	33.7	1.6885
1	70	26.1	1.7146	55.1	1.6734	31.7	1.1746	34.8	1.6975	34.5	1.6695
2	70	26.3	1.7046	55.1	1.6734	31.7	1.1754	34.9	1.6916	34.6	1.6644
3	70	26.3	1.7043	55.2	1.6702	31.9	1.1673	35.0	1.6901	34.6	1.6620
4	70	26.2	1.7100	55.7	1.6589	32.1	1.1612	35.0	1.6887	34.7	1.6599
1	71	26.1	1.7194	56.1	1.6485	32.5	1.1443	35.0	1.6897	34.7	1.6586
2	71	26.4	1.6983	57.4	1.6162	32.4	1.1480	35.5	1.6638	35.2	1.6363
3	71	26.4	1.6973	58.7	1.5867	32.5	1.1469	35.8	1.6501	35.5	1.6241
4	71	26.4	1.7007	58.5	1.5898	32.3	1.1513	35.7	1.6534	35.4	1.6276
1	72	26.4	1.6961	58.7	1.5862	32.5	1.1463	35.8	1.6493	35.5	1.6233
2	72	26.6	1.6821	57.5	1.6153	32.7	1.1395	35.7	1.6541	35.4	1.6266
3	72	26.7	1.6812	63.9	1.7052	32.7	1.1309	34.9	1.6914	34.7	1.6395
4	72	26.6	1.6840	63.6	1.7131	32.5	1.1447	34.8	1.6958	34.6	1.6440
1	73	26.7	1.6759	64.1	1.6995	32.6	1.1402	35.0	1.6855	34.8	1.6344
2	73	27.1	1.6555	66.2	1.6472	32.9	1.1329	35.8	1.6520	35.5	1.6039
3	73	27.3	1.6414	67.1	1.6251	32.9	1.1297	36.1	1.6347	35.8	1.5882
4	73	28.0	1.6013	67.4	1.6179	33.1	1.1240	36.7	1.6077	36.4	1.5637
1	74	29.8	1.5045	69.7	1.5640	33.6	1.1085	38.7	1.5283	38.1	1.4914
2	74	32.7	1.3719	78.9	1.3811	34.6	1.0769	42.9	1.3756	42.1	1.3511
3	74	34.4	1.2302	89.4	1.2183	35.6	1.0448	46.2	1.2253	47.0	1.2116
4	74	37.6	1.1910	93.0	1.1715	36.6	1.0184	49.9	1.1829	48.6	1.1706
1	75	38.5	1.1630	97.1	1.1216	36.8	1.0103	51.5	1.1463	50.1	1.1363
2	75	38.9	1.1520	96.2	1.1331	36.5	1.0199	51.6	1.1442	50.1	1.1351
3	75	38.5	1.1365	95.4	1.1425	36.2	1.0289	51.9	1.1378	50.4	1.1298
4	75	38.6	1.1312	94.3	1.1557	36.0	1.0350	51.8	1.1411	50.2	1.1335
1	76	40.3	1.1114	98.7	1.1040	36.1	1.0302	53.3	1.1083	51.6	1.1029
2	76	41.5	1.0800	98.9	1.1017	36.3	1.0246	54.3	1.0888	52.5	1.0845
3	76	43.0	1.0416	101.5	1.0735	36.4	1.0225	56.0	1.0544	54.1	1.0523
4	76	44.1	1.0173	103.2	1.0558	36.7	1.0152	57.2	1.0328	55.1	1.0316
1	77	44.1	1.0161	104.9	1.0193	37.2	1.0006	58.1	1.0174	56.0	1.0163
2	77	45.5	0.9848	111.8	0.9743	37.4	0.9944	60.3	0.9803	58.0	0.9812
3	77	45.6	0.9837	114.0	0.9567	37.6	0.9902	60.8	0.9721	58.4	0.9733

HISTORICAL INFLATION
FISCAL YEAR INDICES

RAW MATERIAL PORTION ONLY

FY	AIRFRAME PRODUCTION INDEX CY67= 100.0	AIRFRAME PRODUCTION FACTOR FY77= 1.0000	ENGINE PRODUCTION INDEX CY67= 100.0	ENGINE PRODUCTION FACTOR FY77= 1.0000	AVIONICS PRODUCTION INDEX CY67= 100.0	AVIONICS PRODUCTION FACTOR FY77= 1.0000	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS INDEX CY67= 100.0	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS FACTOR FY77= 1.0000	AGGREGATE AIR VEHICLE INCLUDING AVIONICS INDEX CY67= 100.0	AGGREGATE AIR VEHICLE INCLUDING AVIONICS FACTOR FY77= 1.0000
68	24.3	1.8423	53.4	2.0264	31.3	1.1880	30.9	1.9136	30.9	1.8400
69	24.9	1.8003	55.2	1.9740	31.4	1.1861	31.5	1.8677	31.5	1.8000
70	25.0	1.7248	62.3	1.7486	31.5	1.1717	34.1	1.7344	33.5	1.6816
71	24.2	1.7080	66.1	1.6483	32.2	1.1551	35.1	1.6830	34.8	1.6341
72	25.5	1.6940	68.3	1.5946	32.5	1.1480	35.5	1.6517	35.4	1.6054
73	26.8	1.6741	84.4	1.6912	32.7	1.1394	35.1	1.6810	34.4	1.6303
74	29.4	1.5225	70.8	1.5401	33.5	1.1094	38.5	1.5296	38.1	1.4926
75	37.9	1.1435	93.4	1.1600	36.4	1.0236	50.3	1.1738	48.9	1.1626
76	40.2	1.1139	96.5	1.1256	36.1	1.0297	52.5	1.1186	51.1	1.1123
77	43.0	1.0416	101.5	1.0735	36.4	1.0225	56.0	1.0544	54.1	1.0523
77	44.8	1.0000	104.0	1.0000	37.2	1.0000	59.1	1.0000	56.9	1.0000

APPENDIX J

SENSITIVITY ANALYSIS .

APPENDIX J

SENSITIVITY ANALYSIS

Many considerations are important in the construction of Historical Indices for tracking purposes. These certainly include:

a. The items chosen to comprise the index:

(1) How representative these items are.

(2) How closely these items can approximate the actual materials used, if precise material indices are not obtainable.

(3) The number of items used, and the detail in the analysis which produced the indices.

b. Determination of the percent contribution to cost - "Cost Drivers"

c. The weighting factors employed in the overall analysis.

An obvious problem confronting those who must determine the validity of an index developed for historical tracking purposes is the aggregate labor/material weighting factors. In tracking major weapons systems, often times it is stated as say 40/60 - that is 40 percent material and 60 percent labor - as percentage contributions to cost. Because it is difficult for analysts to determine the "correct" aggregate mix of labor and material when external to the project, the aggregate split is obviously of interest.

The value for any index depends, basically, on three factors:

a. The number of factors employed, and the quality and detail contained in the analysis.

b. The values of each component of cost used in the construction of the index.

c. The weights, or levels of importance, given the factors, individually and collectively.

ANALYSIS: The objective of the sensitivity analysis which we performed is to shed some light on the aggregate material/labor split, which has been a controversial issue for some time.

Through the use of a set of recursive linear equations, the effect on the historical inflation index for airframe resulting from varying the aggregate weighting scheme was calculated, in both raw and percentage terms. The calculations were made using a Wang system 2200 mini computer, and a sample printout follows. The results provide strong evidence that the key to a successful index resides in item (1), the number of factors employed, and the quality and detail in the analysis used in preparing the index. In retrospect, because wages are often tied to the Wholesale Price Index, or other price indices, in labor agreements, it is not surprising that aggregate weighting percentages for labor and material might not be an extremely sensitive issue. However, the calculations provide strong support for the position that the identification of cost components and the depth and quality of detail in an analysis are of paramount importance, when developing an index to be used in controlling the cost of a major weapon system.

SENSITIVITY ANALYSIS

********** AIRFRAME **********

TO GROSS WEIGHTING FACTORS

YEAR 1972

GROSS MATL	GROSS LABOR	PURE MATL	PURE LABOR	NEW INDX	CURR INDX	PERCENT CHANGE
.370	.6220	.2411	.7588	1.289	1.289	0.0
.200	.8000	.1068	.8931	1.3722	1.2890	2.58
.250	.7500	.1408	.8591	1.3139	1.2890	1.93
.300	.7000	.1777	.8222	1.3048	1.2890	1.23
.350	.6500	.2175	.7824	1.2951	1.2890	0.47
.400	.6000	.2603	.7396	1.2846	1.2890	- 0.33
.450	.5500	.3059	.6940	1.2734	1.2890	- 1.20
.500	.5000	.3545	.6455	1.2613	1.2890	- 2.12
.550	.4500	.4059	.5940	1.2489	1.2890	- 3.10
.600	.4000	.4603	.5396	1.2356	1.2890	- 4.14
.650	.3500	.5175	.4824	1.2215	1.2890	- 5.23
.700	.3000	.5777	.4222	1.2068	1.2890	- 6.37
.750	.2500	.6408	.3591	1.1913	1.2890	- 7.57
.800	.2000	.7068	.2931	1.1751	1.2890	- 8.83

SIC 3721 = 4.740 SIC 3723.9 = 4.370 NEW MAT IND = .2660