

TALKING POINTS
HUNTSVILLE, ALABAMA
MAY 28, 1986

CHALLENGER AND THE SPACE PROGRAM

- O AMERICANS ARE DEEPLY SADDENED BY THE LOSS OF THE CHALLENGER AND ITS CREW. IT WAS A PERSONAL LOSS TO ALL OF US BUT PARTICULARLY TO THE DEDICATED MEN AND WOMEN DIRECTLY INVOLVED IN SHUTTLE PROJECTS AT NASA AND THE MARSHALL SPACE FLIGHT CENTER. GRIEF OVER THE LOSS OF THE CHALLENGER 7 WILL BE WITH US ALWAYS, BUT THE BEST TRIBUTE WE CAN OFFER TO THEIR MEMORY IS TO FLY AGAIN AND CONTINUE THE NATION'S SPACE ENDEAVOR.
- O AS DEVASTATING AS THE CHALLENGER LOSS WAS, IT SHOULD NOT BE ALLOWED TO BLUR THE ACCOMPLISHMENTS OF NASA AND THE MARSHALL SPACE FLIGHT CENTER.
- O OVER THE PAST TWENTY FIVE YEARS, THE MARSHALL CENTER HAS MADE MAJOR CONTRIBUTIONS TO MANKIND'S MARCH INTO SPACE: TWO MERCURY REDSTONE LAUNCHES; 32 SATURN LAUNCHES (INCLUDING 9 LUNAR MISSIONS, THREE SKYLAB MISSIONS AND THREE HIGH ENERGY ASTRONOMY OBSERVATORIES), AND 24 SUCCESSFUL SPACE SHUTTLE LAUNCHES.

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- O MARSHALL IS ALSO RESPONSIBLE FOR BUILDING THE LAUNCH VEHICLE AND SPACECRAFT FOR THE FREE WORLD'S FIRST UNMANNED SATELLITE, THE LAUNCH VEHICLE FOR THE FREE WORLD'S FIRST MANNED SPACECRAFT, THE LAUNCH VEHICLES THAT SENT MAN TO THE MOON, THE WORLD'S ONLY MANNED LUNAR SURFACE VEHICLE, THE WORLD'S FIRST MANNED SPACE STATION (SKLYLAB) AND ITS MANY EXPERIMENTS, MATERIALS PROCESSING EXPERIMENTS IN SPACE, PROPULSION SYSTEM FOR THE WORLD'S FIRST SPACE SHUTTLE, AND A VERSATILE BUT REUSABLE MANNED LABORATORY (SPACELAB).
- O SUCH A RECORD OF SUCCESS CAN BE ATTRIBUTED TO THE HARD WORK, DEDICATION AND INTEGRITY OF MARSHALL MANAGEMENT AND THE CENTER'S WORK FORCE. DESPITE RECENT SETBACKS, I AM CONFIDENT THAT MARSHALL PEOPLE ARE CONTINUING TO DO THEIR VERY BEST TO CORRECT ANY FAILURE, SOLVE ANY PROBLEM AND MEET ANY DEMAND NECESSARY TO ENSURE OUR COUNTRY'S SAFE RETURN TO SPACE AND REKINDLE IN AMERICA THE PIONEERING SPIRIT OF THE CHALLENGER 7.

SPECIFIC MARSHALL PROGRAMS

- O SPACE STATION: THE MOST IMPORTANT NEW PROGRAM FOR MARSHALL, AND FOR NASA AS A WHOLE, IS THE SPACE STATION. THUS FAR, FUNDING FOR THE PROGRAM HAS BEEN ADEQUATE BUT WE MUST ENSURE

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THAT THE NECESSARY FUNDING LEVEL IS MAINTAINED SO THAT THE INITIAL OPERATING CAPABILITY OF THE SPACE STATION CAN TAKE PLACE IN THE EARLY 1990'S.

- O A PERMANENTLY MANNED SPACE BASED FACILITY WILL ENSURE UNITED STATES LEADERSHIP IN SPACE FOR MANY YEARS TO COME. NOT ONLY WILL THIS FACILITY ENHANCE OUR COUNTRY'S SCIENCE AND APPLICATION PROGRAMS, IT WILL ALSO ENCOURAGE DEVELOPMENT OF CAPABILITIES FOR FURTHER COMMERCIALIZATION OF SPACE AND STIMULATE ADVANCED TECHNOLOGIES. THE SPACE STATION, HIGHLIGHTED BY A COMBINATION OF A MANNED STATION AND UNMANNED RESEARCH PLATFORMS IN LOWER ORBIT, WILL BE THE KEY ELEMENT IN THE COMMERCIAL DEVELOPMENT OF SPACE.
- O THE SPACE STATION HAS BEEN SLATED FOR A NEW START IN 1987 AND I FULLY SUPPORT THIS INITIATIVE. MARSHALL SPACE FLIGHT CENTER HAS APPROXIMATELY ONE-THIRD OF THE PROGRAM, WHICH IS WELL JUSTIFIED BY MARSHALL'S HISTORY AND THE CADRE OF ENGINEERS AND SCIENTISTS CURRENTLY LOCATED HERE. WE NEED TO MAKE SURE THAT THE MOMENTUM IS CONTINUED ON THE SPACE STATION TO ENSURE A NEW START IN 1987.
- O FOURTH ORBITOR: PRESIDENT REAGAN IS EXPECTED TO ANNOUNCE THIS WEEK PLANS TO BEGIN PRODUCTION OF A FOURTH ORBITOR TO

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REPLACE THE CHALLENGER. THE SPACE SHUTTLE IS THE NATION'S PRIMARY LAUNCH VEHICLE AND LONG LAUNCH DELAYS WILL MEAN THAT IMPORTANT COMMERCIAL, GOVERNMENT AND SCIENTIFIC PAYLOADS WILL BE DELAYED. WE HAVE COME TO DEPEND ON THE ROUTINE ACCESS TO SPACE THAT THE SHUTTLE PROVIDES US AND ON THE IMPORTANT DUTIES ONLY IT CAN PERFORM. NASA, WITH THE SUPPORT OF CONGRESS, SHOULD MOVE QUICKLY TO CORRECT THE PROBLEMS THAT RESULTED IN THE SHUTTLE ACCIDENT AND GET THE SHUTTLE PROGRAM MOVING AGAIN. HOWEVER, PRODUCTION OF THE FOURTH ORBITOR SHOULD NOT COME AT THE EXPENSE OF THE 1987 NEW START FOR THE SPACE STATION. I BELIEVE BOTH PROGRAMS SHOULD CONTINUE SIMULTANEOUSLY.

CONCLUSION: LAST YEAR, MARSHALL SPACE FLIGHT CENTER CELEBRATED ITS 25TH ANNIVERSARY. AS I NOTED EARLIER, IN ITS FIRST 25 YEARS MARSHALL HAS AMASSED A REMARKABLE RECORD OF SPACE RELATED ACHIEVEMENTS. UNDER THE LEADERSHIP OF DR. WERNER VON BRAUN, MARSHALL GREW FROM STRICTLY BEING A ROCKET PROPULSION DEVELOPMENT CENTER INTO AN IMPORTANT RESEARCH AND DEVELOPMENT CENTER. UNDER THE CURRENT CENTER DIRECTOR, DR. BILL LUCAS, MARSHALL HAS CONTINUED TO EXPAND ITS HORIZONS. I WANT TO CONGRATULATE THE MEN AND WOMEN WHO HAVE BEEN A PART OF THE MARSHALL CENTER FOR THE PAST 25 YEARS AND WHO HAVE CONTRIBUTED SIGNIFICANTLY TO MAKING AND MAINTAINING THE UNITED STATES THE WORLD LEADER IN SPACE.

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STRATEGIC DEFENSE COMMAND

- O I STRONGLY SUPPORT THE STRATEGIC DEFENSE INITIATIVE WHICH IS, OF COURSE, AN AGGRESSIVE RESEARCH PROGRAM TO DETERMINE THE FEASIBILITY OF DEVELOPING STRATEGIC DEFENSES FOR THE UNITED STATES AND ITS ALLIES. WE MUST REMEMBER THAT THE SOVIET UNION HAS HAD AN ACTIVE BALLISTIC MISSILE DEFENSE (BMD) DEVELOPMENT PROGRAM FOR MANY YEARS AND HAS AGGRESSIVELY PURSUED ADVANCED DEFENSIVE TECHNOLOGIES SUCH AS DIRECTED ENERGY WEAPONS. WHILE THE SOVIETS HAVE WAGED A PROPAGANDA WAR ON OUR SDI RESEARCH PROGRAM, THEY HAVE PROCEEDED FULL SPEED AHEAD WITH THEIR OWN. EVEN THE HARSHTEST CRITICS OF SDI WILL CONCEDE THAT A SOVIET MONOPOLY IN THIS AREA WOULD BE BOTH DESTABILIZING AND A THREAT TO OUR DETERRENT CAPABILITY.

- O THE STRATEGIC DEFENSE COMMAND HERE IN HUNTSVILLE PLAYS AN EXTREMELY IMPORTANT ROLE IN THE SDI PROGRAM. FOR MANY YEARS THE ARMY'S BALLISTIC MISSILE DEFENSE (BMD) PROGRAM IN HUNTSVILLE HAS BEEN BUILDING THE FOUNDATION FOR THE INITIAL ELEMENT OF A FUTURE LAYERED DEFENSE SYSTEM. THE SDI MUST TAKE A BALANCED APPROACH TOWARD BALLISTIC MISSILE DEFENSE BY STEPPING UP THE PACE OF RESEARCH ON ADVANCED, LONG RANGED DEFENSE CONCEPTS SUCH AS DIRECTED ENERGY DEVICES WHILE

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CONTINUING WORK ON MORE MATURE, NEAR TERM BMD CONCEPTS. I
FIRMLY BELIEVE THAT AN EVOLUTIONARY APPROACH TO STRATEGIC
DEFENSE BY THE UNITED STATES REPRESENTS THE MOST RATIONAL AND
STABLE PATH TO A REDUCTION IN OFFENSIVE NUCLEAR ARMS.

TALKING POINTS
MUSCLE SHOALS, ALABAMA
MAY 28, 1986

ALABAMA AG SITUATION

- MOST IMPORTANT ALABAMA COMMODITIES, IN ORDER OF SALES AND INCOME, ARE POULTRY, CATTLE, AND SOYBEANS. MUSCLE SHOALS AREA IS CENTER FOR COTTON AND SOYBEANS.
- MARKETING LOAN WILL MAKE U.S. COTTON EXPORTS COMPETITIVE IN WORLD MARKETS. PROGRAM BEGINS AUGUST 15.
- I HAVE ASKED LYNCH TO CONSIDER USING DISCRETION TO USE MARKETING LOAN FOR SOYBEANS, WHEAT AND FEED GRAINS. THE EXPORT ENHANCEMENT PROGRAM IS NOT WORKING FOR THESE CROPS.
- UNDERSTAND ALABAMA IS DEFICIT IN MILK PRODUCTION: 50% IS BROUGHT IN. DAIRY HERD BUY-OUT PROGRAM IS TEMPORARY ADJUSTMENT, BUT LOWER PRICES ARE A HARDSHIP TO CATTLEMEN. NEED TO FIND A LONGER-TERM ANSWER FOR THE DAIRY SURPLUS SITUATION.
- THE 30 MILLION ACRE CONSERVATION RESERVE IN THE FARM BILL WILL BE A BIG HELP TO ALABAMA'S TIMBER INDUSTRY. FIVE MILLION ACRES ARE EARMARKED FOR TREE PRODUCTION.

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COTTON/TEXTILE ISSUES

O ECONOMIC BACKGROUND

-- IMPORTS OF COTTON PRODUCTS INCREASED BY 28% IN 1984 ALONE. IMPORTS NOW ACCOUNT FOR 38% OF DOMESTIC RETAIL SALES.

-- ONLY 20% OF THE COTTON CONTENT OF IMPORTED TEXTILES AND APPAREL ORIGINATED IN THE U.S. IMPORTS COST U.S. COTTON FARMERS AN ESTIMATED \$1.25 BILLION IN 1984.

O TEXTILE TRADE LEGISLATION

-- UNDERSTAND COTTON COUNCIL IS ACTIVE MEMBER OF COALITION SEEKING AUGUST 6 OVERRIDE OF VETO OF THE TEXTILE AND APPAREL TRADE ENFORCEMENT ACT.

-- UNDERSTAND 70 SENATORS (MYSELF INCLUDED) AND 303 HOUSE MEMBERS SIGNED LETTERS URGING THE PRESIDENT TO NEGOTIATE A TOUGHER MULTIFIBER ARRANGEMENT (MFA), INCLUDING A FORMULA TIERING IMPORT INCREASES TO DOMESTIC DEMAND.

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-- UNDERSTAND DEVELOPING, TEXTILE-EXPORTING COUNTRIES ARE USING OUTCOME OF MFA TALKS (DEADLINE IS JULY 31) AS LEVERAGE ON WHETHER TO JOIN NEW GATT ROUND -- TOP ADMINISTRATION PRIORITY.

-- IF THE CHOICE IS BETWEEN OVERRIDING THE PRESIDENT'S VETO AND LAUNCHING A NEW GATT ROUND, I WOULD PREFER NOT HAVING TO OVERRIDE THE VETO.

NATIONAL FERTILIZER DEVELOPMENT CENTER (TVA)

-- APPRECIATE UNIQUE ROLE PLAYED BY NFDC. 75% OF THE FERTILIZERS USED BY U.S. FARMERS ARE MADE WITH TECHNOLOGY DEVELOPED HERE.

-- NFDC'S MISSION IS COMPREHENSIVE: FROM CHEMICAL RESEARCH TO GREENHOUSE AND FIELD OBSERVATIONS TO INDUSTRY INTRODUCTION.

-- NFDC WORKS COOPERATIVELY WITH AG RESEARCHERS AND COMPANIES ON A NATIONWIDE BASIS. OVER 600 LICENSES FOR VARIOUS PROCESSES AND EQUIPMENT HAVE BEEN GRANTED TO COMPANIES AND PLANTS IN 40 STATES.

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- IN KANSAS, 12 PLANTS ARE LICENSED TO USE NFDC PROCESSES. NFDC RESEARCHERS HAVE WORKED WITH KSU SCIENTISTS ON DEVELOPMENT OF A FLUID FERTILIZER APPLICATION SYSTEM.
- APPRECIATE EFFORTS BY TVA AND NFDC TO FIND PRIVATE SOURCES FOR FUTURE FUNDING. FY-86 APPROPRIATION (AFTER G-R-H CUT) WAS \$121 MILLION FOR TVA, OF WHICH \$32 MILLION WAS FOR NFDC. THE PRESIDENT'S BUDGET PROPOSAL FOR FY-86 WAS \$58 MILLION FOR TVA, INCLUDING \$20 MILLION FOR NFDC.

KEY FACTS ABOUT TVA'S NATIONAL FERTILIZER DEVELOPMENT CENTER (NFDC)

1. Fertilizer research, development, and nationwide introduction is our big job—about 80% of appropriated budget.
 - One of a kind institution. Key in U.S. Ag research; no one duplicates NFDC.
 - Comprehensive. Chemical research in laboratories. Greenhouse and field agronomic evaluations. Engineering development in experimental plants. Market studies. Industry introduction. Technical assistance with adoption.
 - Cooperative. Work closely with agricultural researchers in evaluating new products. Collaborate with scores of industry firms to promote use of new technology. Active in 30-40 States annually.
 - Extremely effective.
 - * Classic in technology commercialization
 - * Process improvements used in nearly 600 plants
 - * 75% of U.S. fertilizers made with TVA technology
 - * Key in nation's agricultural efficiency and food economy
 - Kansas connection.
 - * Have long had strong fertilizer program in Kansas.
 - * Dozen Kansas plants licensed to use TVA processes.
 - * We regularly work with such industry firms as Collingwood Grain, Hutchinson; Reid Grain, Kanorado; Farmland Industries, Kansas City; Johnson's Elevator, Mentor; Val-U-Hi, Fremont, Nebraska; Sterrett Chemical, Quinter; Mears Fertilizer, El Dorado; Kugler Oil Company, Ulysses; and The Reactor, Inc., Garden City.
 - * Recent cooperative work with Kansas State University was key in developing the concept of dual application of wheat fertilizers (anhydrous ammonia and a fluid N-P fertilizer). This is now practiced throughout much of the wheat belt.
 - * We conducted 2-day school at Salinas last year to show companies how to calibrate fertilizer spreaders.
 - * Helped western Kansas firm design portable fluid fertilizer plant based on TVA's energy-efficient process.
 - * 28 Kansas companies use TVA-developed microcomputer software.

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2. Recent Trends

- Reflecting Grace Commission recommendations and Administration guidance, we are making concerted effort to obtain private funding.
 - * Should raise over \$700,000 this year. Working to develop larger long-term support for several major projects.
 - * Still need strong core of Federal support to maintain program integrity and continuity.
 - * Forming CEO-level industry advisory board to give us broad policy guidance. Regularly review our research with industry groups.
- Have always worked closely with Nation's land-grant universities in cooperative projects. Just recently, however, have formed consortium with Alabama's research universities to promote synergism and complementarity.
 - * State of Alabama has made available about \$250,000.
- Employment has been trimmed by one-fourth in last 3-4 years—to about 750; this is half the level of 15-20 years ago, reflecting greater concentration on research and less on production.

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3. Two other major program areas:

A. Helping to make agriculture more productive and more profitable in Tennessee Valley region (Alabama, Tennessee, Kentucky, North Carolina, Mississippi, Georgia, Virginia).

- * Cooperative with State universities, other organizations.
- * Includes farm management, introducing new high-income crops, market development, soil and water conservation, help for agribusinesses.
- * Showing how many small farmers can survive. Some of our most effective work of this type has been in western North Carolina. In cooperation with many others, we helped introduce and establish major new cash crops there in recent years. Christmas trees, vine-ripened tomatoes and native ornamental shrubbery—all now are multimillion-dollar enterprises.
- * Valuable as national demonstrations.

B. Renewable energy research.

- * Strong focus on converting underused hardwoods to fuel alcohol (ethanol); going for technology that gets more gallons per ton of wood.
- * Good effort also on technology for converting nongrain farm crops and various waste residues to ethanol—and perhaps to other chemicals.
- * Manage Southeastern Regional Biomass Energy Program for Department of Energy. Very effective in promoting commercialization, stimulating university-private sector interaction, and leveraging technology investments by others.
- * Provide bioenergy technical assistance to Agency for International Development to help with Third World problems.

This renewable energy program has good potential for reducing the national need for imported petroleum, improving resource use, creating jobs, and even offering attractive alternative uses of marginal lands.

TALKING POINTS FOR DOLE
Muscle Shoals, AL

Upbeat as possible--

Drought - Had some rain
- Suffering most severe in 100 years
- Still way behind on yearly average rainfall

Main Crops - Cotton and Soybeans
in area

Market Loan for Cotton - get competitive in marketplace

- need some type of program for
Soybean, wheat, corn

Dairy - Program is temporary adjustment
- AL is deficit milk producing state
- Over 50% brought in

Cattle - 2nd largest agriculture interest in state
- #2 in dollars to Alabama
- ** Among top 5 states in low-calf operation

Poultry - #1 commodity in Alabama in dollars

Soybeans - #1 row crop - #3 money producer

Double cropping is a way an acre of land in Alabama can equal an
acre of production in the midwest--

Alabama is 75% timber

Conservation reserve will help produce a marketable crop in 15
to 20 years and cash flow for farmers today

Textile Imports

Tax Bill

BRIEF

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The NFDC is one of the best examples that could be found of technology transfer. Its research is oriented to practical problems. And its outreach efforts in cooperation with the industry, universities, and others make sure that promising developments are injected into the economy. An estimated three-fourths of the Nation's fertilizer is made with technology developed at Muscle Shoals.

In line with Administration guidance, NFDC is working to obtain private funding. Good progress is being made, but it will be necessary to keep a strong base of Federal support if this key national agricultural R&D program is to continue an effective leadership role.

Fertilizer research, development, and introduction account for about 80 percent of NFDC's budget. Fewer resources are devoted to two other program areas: (1) Agricultural improvement in the Tennessee Valley region, and (2) Research to develop more efficient technology for converting cellulosic materials—including trees, farm crops, and wastes—to fuel alcohol. Both fronts promise major national benefits.

TALKING POINTS
NATIONAL COTTON COUNCIL BOARD OF DIRECTORS
JACKSON, MISSISSIPPI
MAY 28, 1986

1986 FARM PROGRAMS

O MARKETING LOAN

- RIA MARKETING LOAN WENT INTO EFFECT ON APRIL 15, REDUCING MARKET PRICE FROM \$8.00/CWT. TO ABOUT \$3.50/CWT. EXPORTS ARE INCREASING. THAILAND AND OTHER COMPETITORS ARE COMPLAINING.
- COTTON MARKETING LOAN WILL GO INTO EFFECT ON AUGUST 15, REDUCING MARKET PRICE FROM 65 CENTS/LB. TO 37 CENTS/LB. COTTON PROGRAM HAS ALWAYS HAD A MECHANISM FOR KEEPING PRICES COMPETITIVE. THE INDUSTRY STRONGLY FAVORED THE MANDATING THE MARKETING LOAN.
- DOLE MAY 16 LETTER TO LYNCH REQUESTED REVIEW OF USING MARKETING LOAN DISCRETION FOR WHEAT, FEED GRAINS AND SOYBEANS. ASKED USDA TO COMPARE COST OF ALLOWING PRODUCERS TO REDEEM LOANS BELOW FACE VALUE TO COST OF FORFEITURES ON UNREDEEMED CCC LOANS.

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O STORAGE OUTLOOK

-- TOTAL U.S. STORAGE (ON-FARM AND COMMERCIAL) OF ABOUT 20 BILLION BUSHELS WAS 92 PERCENT FULL LAST OCTOBER. WITH CURRENTLY HARVEST ESTIMATES, USDA EXPECTS SUPPLIES TO EXCEED STORAGE CAPACITY BY BETWEEN 500 MILLION AND 1.0 BILLION BUSHELS. WORST SURPLUS WILL BE IN ILLINOIS, INDIANA, AND OHIO.

-- NEED TO GET EXPORTS MOVING. USDA'S EXPORT ENHANCEMENT PROGRAM IS TOO NARROWLY TARGETED: WE ARE LOSING MORE CUSTOMERS THAN WE GAIN. ACROSS-THE-BOARD APPROACH IS OPPOSED ON IDEOLOGICAL GROUNDS. MARKETING LOAN, WHICH APPLIES TO DOMESTIC AS WELL AS FOREIGN SALES, MAY BE THE ONLY OTHER ANSWER.

O PAYMENT LIMITATION

-- UNDERSTAND COTTON COUNCIL STRONG OPPOSES REDUCING THE \$50,000 PAYMENT LIMITATION DUE TO LARGER INDIVIDUAL ECONOMIC UNITS. WE HAVE SOME LARGE WHEAT UNITS IN KANSAS, TOO.

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-- WE WERE ABLE TO DO BUSINESS ON THE 1985 FARM BILL ONCE IT WAS ESTABLISHED THAT SAVINGS COULD BE FOUND BY ADJUSTING OTHER PROGRAMS.

-- SENATOR COCHRAN'S LEADERSHIP AND COOPERATION IN HELPING PUT TOGETHER A SUCCESSFUL COALITION WAS VITAL.

NOTE: POSSIBLY MENTION ABDNOR REMARK TO ANDREWS DURING CONSIDERATION OF SECOND CORRECTIONS BILL IN MARCH: "HOW COME THE SOUTHERNERS ALREADY HAVE EVERYTHING THEY WANT?"

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