

SECRET NO. 50-174
File 9

THE PENNSYLVANIA STATE UNIVERSITY
UNIVERSITY PARK, PENNSYLVANIA

Vice President for Research

November 2, 1960

UN 5-6332

U. S. Atomic Energy Commission
Washington 25
D. C.

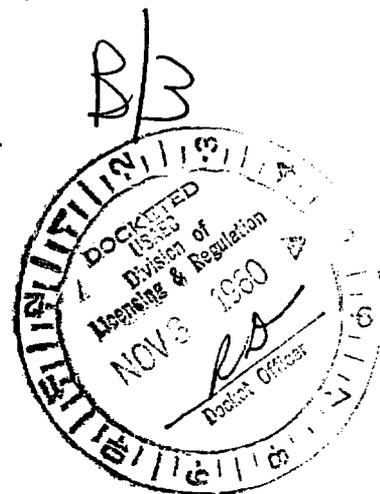
Attention: E. R. Fleury
Chief, Facilities Branch
Division of Licensing and Regulation

Ref: DL&R:NDM - Docket No. 50-174

Gentlemen:

In response to your letter dated October 18, 1960, it is requested that the information given below and that set forth on Attachments A and B be accepted as amending our September 29, 1960 application for a Class 104 facility license permitting the University to possess, but not to operate, at this time the Curtiss-Wright Nuclear Research Reactor located at Quehanna, Pa.:

- (1) An owner's non-operating license is sought for a period of two years, during which time qualified staff and appropriate research contracts will be identified in order to apply for an owner's-operator's license.
- (2) "Attachment-A" identified as an internal letter dated October 24, 1960 written to Dr. E. F. Osborn by Mr. McKay Donkin gives data concerning the source of funds to cover the annual operating costs of maintaining and safeguarding the facility.
- (3) "Attachment-B" identified as a letter dated October 24, 1960 written to Mr. E. R. Fleury, AEC, Washington, D. C., by Mr. McKay Donkin of the University (the original of which is attached to the original signed copy of this amendment request) is a statement which is indicative of the University's financial qualifications to assume responsibility for the possible loss of special nuclear material.



November 2, 1960

If additional information is needed, please feel free to contact me.

Very truly yours,



E. F. Osborn
Vice President for Research

EFO/REM:vhh

Encls. Attachment-A
Attachment-B

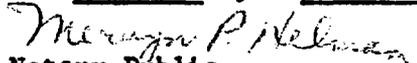
cc: M. Donkin
M. A. Williamson
P. Ebaugh
N. J. Palladino
F. J. Remick

Commonwealth of Pennsylvania

County of Centre

: ss

Subscribed in form to before me
this 2nd day of November 1960


Notary Public

MERVYN P. HELMAN, Notary Public
State College, Centre County, Pa.
My Commission Expires
January 30, 1962

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Attachment-A

THE PENNSYLVANIA STATE UNIVERSITY
UNIVERSITY PARK, PENNSYLVANIA

Office of the Vice President
for Finance and Treasurer

October 24, 1960

Dr. E. F. Osborn
Vice President for Research
The Pennsylvania State University
University Park, Pennsylvania

Dear Dr. Osborn:

The Vice President for Business Administration here, Mr. A. E. Diem, has asked for an annual Department of Maintenance and Utilities budget for the Quehanna Reactor of \$66,050. He has also asked for special equipment for grounds maintenance in the amount of \$5,300 and has estimated maintenance requirements for the first year to be an additional \$18,150.

The Department of Nuclear Engineering estimates its costs during the period of non-reactor operation for which an owner's license is sought will be \$36,600 per year.

These budget estimates have not yet been approved because items within them are being negotiated.

However, the Board of Trustees has authorized the officers to "accept the gift of the Curtiss-Wright Corporation of the reactor at Quehanna, Pennsylvania. . . ."

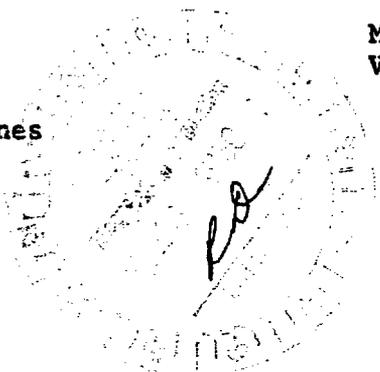
On the basis of the foregoing, budgets adequate to maintain and safeguard the facility will be made available from University funds.

You are authorized to use this letter or the copy hereof to forward to the Atomic Energy Commission.

Very truly yours,

McKay Donkin
Vice President & Treasurer

cc: C. R. Barnes



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THE PENNSYLVANIA STATE UNIVERSITY
UNIVERSITY PARK • PENNSYLVANIA

Office of the Vice President
for Finance and Treasurer

October 24, 1960

Mr. E. R. Fleury
Chief, Facilities Branch
Division of License and Regulation
Atomic Energy Commission
Washington 25, D. C.

Dear Mr. Fleury:

Dr. E. F. Osborn, Vice President for Research, The Pennsylvania State University, has asked for a statement of the University's qualifications to assume responsibility for the loss of special nuclear material.

As at June 30, 1959, the value of the properties owned by the University was \$109,131,372. Outstanding were \$54,100,000 in First Mortgage Bonds, all but \$10,000,000 of which are in the hands of the public. The Community Facilities Administration of the Housing and Home Finance Agency purchased \$8,500,000.

The total expenditures for that year were \$45,144,106 without giving weight to expenditures for buildings.

For the year 1958-59, the Commonwealth of Pennsylvania provided us \$14,634,580, or 32.2% of our operating expenses. The Commonwealth supplies us approximately one-third of our operating expenses in fulfilling its commitment to the Federal Government of 1863 in which "the faith of the State was pledged to support its land grant college."

The Trustees have authorized the officers of the University to "accept the gift of the Curtiss-Wright Corporation of the reactor at Quehanna."

I trust the foregoing is responsive to your request to Dr. Osborn of October 18, 1960.

Very truly yours,

McKey Donkin

McKey Donkin
Vice President & Treasurer

c: E. F. Osborn
Vice President for Research

C. R. Barnes
Controller of the University