

CINTICHEM, INC.

a wholly owned subsidiary of

Medi-Physics, Inc.

P.O. BOX 816, TUXEDO, NEW YORK 10987

[914] 351-2131

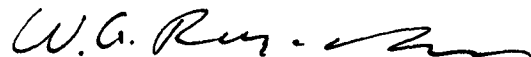
February 1, 1989

Director of the Office of
Nuclear Reactor Regulations
U. S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Director:

Cintichem owns and operates a 5 MW research reactor at Sterling Forest, New York. Our reactor is presently fueled with high enriched uranium fuel (HEU). The NRC in 1986 issued the 10CFR 50.64 rule limiting the use of HEU in domestically licensed research reactors. Paragraph C (2) of this rule requires all affected licensees to submit a low enriched uranium (LEU) conversion schedule to the NRC annually by March 27th. 10CFR C(2) ii, though, allows a licensee to meet this requirement by submitting a statement that the Federal Government will not fund the licensee for this conversion. Cintichem, therefore, submits to you the attached Department of Energy February 29, 1988 letter stating that there will be no Federal funding made available to Cintichem, that current DOE plans include funding only for university reactor conversions, and that Cintichem will be notified if these circumstances change.

Sincerely,



William G. Ruzicka
Manager, Nuclear Operations

WGR/bjc

Attachment

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Department of Energy
Washington, DC 20585

FEB 29 1988

Mr. William G. Ruzicka
Cintichem Incorporated
P.O. Box 816
Tuxedo, New York 10987

Dear Mr. Ruzicka:

In accordance with Nuclear Regulatory Commission Rule, 10 CFR Part 50, "Limiting The Use of Highly Enriched Uranium in Domestically Licensed Research and Test Reactors," you are hereby notified that Federal funding by the Department of Energy for conversion of your reactor will not be available during Fiscal Year 1988.

Current Department of Energy plans include funding for conversion of university owned reactors only. You will be notified if these circumstances change.

Sincerely,

Richard E. Stephens, Director
Division of University and
Industry Programs
Office of Energy Research



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