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Office Memorandum • UNITED STATES GOVERNMENT

TO : H. L. Price, Director
Division of Licensing and Regulation, Washington

DATE: February 13, 1958

FROM : S. R. Sapirie, Manager
Oak Ridge Operations

SUBJECT: REQUEST FOR SPECIAL NUCLEAR MATERIAL BY CLEVITE RESEARCH CENTER

SYMBOL: ORS:WEM

We have received notification from the Division of International Affairs that we are authorized to supply the Clevite Research Center with 8.090 kg. of U-235 contained in uranium metal enriched to approximately 90% in the isotope U-235. Upon receipt of this notification, we ascertained from the Division of Licensing and Regulation that Clevite was not licensed to receive and possess special nuclear material.

In order to expedite the lease with Clevite, in response to a teletype from them, we sent Special Nuclear Material Order Forms for completion. In our letter of January 24, 1958, a copy of which is enclosed, we stated that upon receipt and acceptance of these forms and notification from AEC Headquarters that Clevite is appropriately licensed to receive and possess this material, we would place their order with our contractor.

In their letter dated February 3, 1958, a copy of which is also enclosed, returning the Special Nuclear Material Order Forms, Clevite submitted partial shipping instructions for the material and stated that, during discussions with AEC Headquarters on January 28, they were advised that the AEC would place orders for processing of material even though the applicant may not yet have been granted a license to receive and possess the material.

If the order is placed and the metal processed prior to the granting of the license including approved shipping instructions, we will be unable to package or ship. This could result in having to store the material and possibly repackage it incurring additional costs and work and also extra paper work necessary to send supplemental instructions to the contractor.

We prefer to execute agreements and place orders with our contractors for the work only after all conditions have been met. In this manner, commercial orders are all handled on an equal basis. We have found that the commercial firms understand and accept the basis of "first come - first served". In the past, we have pointed out to them that the AEC does not discriminate, and an order, once placed, is not subject to being delayed because of a priority or a later order from another commercial organization.

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H. L. Price

- 2 -

February 13, 1958

If we begin the practice of placing orders for the work prior to all conditions being met, we will find that this will be the rule rather than the exception, and all companies will desire this treatment since, to each company, their particular order is always top priority.

We prefer not to execute the Clevite order until we receive information from you on shipping instructions and the status of the license. We assure you it will be given expeditious handling as soon as this information is sent to us.

S. R. Sapirie
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Enclosures:

1. Cy ltr AMC to EP dtd 1/24/58
2. Cy ltr RLS to AMC dtd 2/3/58

CC: E. J. Bloch, Washington
w/cy of encls.
J. A. Hall, Washington
R. C. Armstrong
C. A. Keller
H. M. Roth



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