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Carberry GH.4

Conrad - Harshaw

THE HARSHAW CHEMICAL COMPANY

COPY

1945 EAST 97TH STREET
CLEVELAND 6, OHIO

February 17, 1955

Mr. F. R. Dowling, Director
Feed Materials Division
Oak Ridge Operations Office
U. S. Atomic Energy Commission
P. O. Box E
Oak Ridge, Tennessee

Dear Sir:

The following proposal, which is to be considered subject to further revision until we agree upon the details of a supplement to W-7405-eng-276, is a general statement of the understanding reached at our recent conference.

1. Harshaw will at the expense of the Commission maintain Plant C in standby condition of such character as the Commission shall direct. The extended standby period will end not later than January 1, 1957.
2. If the plant is not started up before January 1, 1956, the Government shall vacate the premises by no later than May 31, 1957. If the plant is reactivated before January 1, 1956, the Government shall vacate the premises not later than May 31, 1957 or such later date as may be agreed upon.
3. The provisions and conditions of W-7405-eng-276 shall be followed so far as applicable in respect to license to operate, abandonment or restoration, ground rules, etc.
4. The supplement shall provide that at all times subsequent to September 30, 1955 and prior to vacation of the plant, when the plant is not being operated, Harshaw shall receive \$15,000 per month space rental in addition to the actual costs of maintaining standby in the entire Plant C and performing any other services requested by the Commission and agreed to by Harshaw, and when, after September 30, 1955 and prior to vacation of the plant, the plant is being operated, Harshaw shall receive \$15,000 per month as space rental plus other costs incurred, unless a mutually acceptable alternative is agreed upon.
5. In case of cancellation by the Government prior to the expiration date of January 1, 1957, the Government will pay as a cancellation charge \$60,000 less the length of notice of cancellation given in months, up to four, times \$15,000 and will vacate the plant within five months after cancellation. We feel that with notice of four months we can make substantial progress toward reactivation of the plant for our own purposes whereas it will not likely be so difficult for the Commission to give that much notice.

If the Commission should fail to vacate the premises on or before

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CONTRACTS

Mr. F. E. Dowling, Director
Feed Materials Division
U. S. Atomic Energy Commission
Oak Ridge, Tennessee

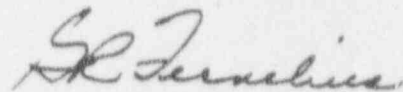
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May 31, 1957 or any later date mutually agreed upon as the final date, then the Commission shall thereafter pay a space rental of \$30,000 per month plus costs of maintaining standby.

Harshaw shall have the right to use any unoccupied portion of Plant C not needed by the Commission on the basis of abatement of the space rental in proportion to the area occupied. In the event Harshaw shall be permitted to occupy a portion of the plant, it shall vacate promptly on order of the Commission and at the expense of the Commission.

Yours very truly,

THE HARSHAW CHEMICAL COMPANY



G. F. Fernelius
Manager - Plant C

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cc: 2 ex attached

N/A