

# THE HARSHAW CHEMICAL COMPANY

# COPY

326-68-589

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276 Harshaw

March 19, 1952 Chemical Co. 195

U. S. Atomic Energy Commission  
Room 312 Cuyahoga Savings Building  
920 Prospect Avenue  
Cleveland 13, Ohio

Att'n: Mr. E. C. Sargent,  
Cleveland Area Manager

Gentlemen:

CONTRACT NO. W-7405-ENG-276  
CONTRACTUAL ARRANGEMENTS FOR  
PLACING PLANT IN STAND-BY

Pursuant to our several conversations on the subject, we at Harshaw have initiated a proposed draft of a new Paragraph 1, Article II of subject contract. You will find this draft attached hereto. A few comments may be in order.

We appreciate the fact that Commission lawyers may wish to draw up the actual text of this contract amendment pursuant to certain Government contract procedures. To this, of course, we have no objection. We do feel, however, that the principles embodied in our draft should be contained in the resulting contract amendment.

You will note that the proposed text brings in to the contract, by reference, a letter from The Harshaw Chemical Company to the Commission, and an acknowledgment and modification of this Harshaw letter in the form of a letter from the Commission to Harshaw. The basic considerations of the Harshaw program have been set forth in a proposal entitled "Shut-down 616 - January 9, 1952", as prepared by our Mr. C. W. Showalter, copies of which are in your possession. We propose to incorporate a corrected form of this document into a formal letter dated January 9, 1952, (as of January 1, 1952), from Dr. G. R. Fernelius to Mr. E. C. Sargent of the Commission. This will thus set up a proper channeled letter of transmission which can be referred to in the contract amendment.

In your letter of February 29, 1952, (Mr. E. C. Sargent to Dr. G. R. Fernelius), subject "DIRECTIONS FOR PLACING THE HARSHAW RL-10 PLANT IN STAND-BY COMMENCING UPON TERMINATION OF OPERATIONS IN DECEMBER, 1951", you have already acknowledged receipt of Harshaw's above dated proposal and countered with suggested modifications. It would appear that this letter should serve as the Commission letter cited in the proposed amendment; perhaps you may wish to change the text thereof in light of the use to which the letter will be put. We would prefer that you strike out the reference to verbal agreements with certain Harshaw employees, and that you definitely set January 1, 1952 as the start of the stand-by period. You will note that we have set up a letter of February 29, 1952 in the contract reference.

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U. S. Atomic Energy Commission  
Attn: Mr. E. C. Sargent  
Cleveland, Ohio


March 19, 1952

I trust that you are in essential agreement with the above procedure and will take steps to implement the preparation of a new supplement. Needless to say, The Harshaw Chemical Company is presently following the Commission orders to place the RX-10 operations in stand-by under the present Article II of the contract. I believe that we are all in agreement that this present Article II does not adequately cover the condition of stand-by now desired by the Commission.

At the present time we can see no need for revision of the later paragraphs of Article II; presumably the Commission obligation of Paragraph 2 will be suitably adjusted by letter after the cost of this program has been predicted by the Plant "C" engineering staff.

Very truly yours,

THE HARSHAW CHEMICAL COMPANY

  
Dr. W. D. Stillwell,  
Assistant to the  
Executive Vice-President

DC:W  
2 extra cc attached  
enclosure

Effective as of \_\_\_\_\_, Paragraph 1  
of Article II is amended to read as follows:-

ARTICLE II - STAND-BY WORK AND COMPENSATION THEREFOR

1. During the period set forth in Paragraph 1 of Article I hereof and on reasonable notice from, and to the extent designated by the Commission, the Contractor shall, in a good, workmanlike manner, place and maintain in stand-by condition the portions of said Plant "C" (including equipment whether or not Government-owned) which are not necessary for the production and/or delivery of Chemicals BS-20, BS-21, CR-15 or CR-16 under this contract. In so doing, the Contractor shall, to the extent reasonably practicable, take adequate measures to abate rust and other deterioration in said equipment. As used in this contract, the term "stand-by condition" shall be deemed to mean such condition that at any time, assuming the availability of sufficient feed and other necessary materials, stores, and trained operating personnel; assuming also the completion of the program described in a letter from the Contractor to the Commission dated January 9, 1952, certain portions of which program will be deferred (pursuant to instructions of the Commission contained in a letter from the Commission to the Contractor dated February 29, 1952) until such time as the Commission orders the Contractor to complete same; and for the return and reinstallation of all equipment (or the equivalent thereof) by or on instruction of the Commission removed from said portions of Plant "C" subsequent to the last day of operation prior to placing in stand-by (which portions shall not include portions used for production of EH-30 nor the portions known as "the Annex"), said portions of said plant with the equipment then therein can be put back into operation for the production of Chemical RX-10 within 60 days and, assuming complete functioning of any other portions of said Plant upon which the operation of said portions may be dependent, can reach full capacity production of said equipment within 90 days. To the extent that adequate maintenance may be curtailed pursuant to direction or request of the Commission, Contractor shall be relieved of its obligation to maintain such portions of said plant in stand-by condition.