

November 13, 1968

Gen W. Roy
Materials Inspection & Enforcement Branch
Division of Compliance, Headquarters

U. S. NUCLEAR CORPORATION, SURREY, CALIFORNIA, LICENSE NO. SAM-1002
TELEPHONE CALL FROM DR. KOCH

On November 6, 1968, I received a telephone call from Dr. Koch, RSO of the subject licensee. Dr. Koch had several items to discuss.

1. He said their recruiting efforts had been successful and that yesterday they had hired an Alternate RSO. The new man's name is A. L. Baietti, and according to Koch, he will be reporting in the very near future. Region V (and probably DRL) is familiar with Mr. Baietti. Most recently he worked for Tracerlab Division, Laboratory for Electronics, Richmond, California. Prior to that, he worked for the Navy Radiological Defense Laboratory, San Francisco, California. Mr. Baietti is a Certified Health Physicist, and we have no quarrel with his qualifications. However, we have found him a difficult man to deal with at times. I received the impression from Koch that Baietti's primary assignment would be at the Orange County and the City of Industry facilities and he would be backup and consulting at the Lake Street facility. Koch said he would confirm Baietti's employment in writing along with a resume of training and experience.
2. Dr. Koch said they had received a quotation from Nuclear Engineering on a specification 7A container for the glove box line. He said there was a corporate management meeting scheduled for the same afternoon (November 6, 1968) in which he expected to obtain approval to issue the purchase order to Nuclear Engineering. In response to my questions, he said it was his understanding that Nuclear Engineering had not obtained approval for the shipment and did not intend to start formal negotiations with DOT until they had a purchase order from U. S. Nuclear!

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3. Dr. Koch said he had applied to DOT for permission to use the two containers (B of E 415 and 920) for shipping the bulk quantities of Pu-238 back to Mound. He said he had sent a copy of the letter to Region V. I told him we had not received it, and he said he would check into it. As an aside, he mentioned that in a recent speech Mr. Brobst of DOT had stated that because of the expense of evaluating special permits, DOT required that such shipments "must be in the public interest". Koch said he had mentioned my name as a contact which Mr. Brobst could make in determining that these shipments are "in the public interest". (I suggest that COMBQ or DML check with Mr. Brobst again to see if he has received the application from U. S. Nuclear and give him the "public interest" information if necessary.)
4. I asked Dr. Koch when he would be ready to do some work, such as start in the Outer Facility. He said at the corporate management meeting scheduled for that day he expected that a budget for the entire decontamination operation would be approved. He said he had ordered some items and equipment which had a longer lead time, but up until now, he actually had no funds specifically allocated for the decontamination operation. Dr. Koch also said he had not received any approval from the State to go ahead with decontamination in those areas where the State has jurisdiction and that he was reluctant to order some items until he was assured that the State would approve of his procedures. With regard to State approval, Dr. Koch asked me if I had any information. I told him that I thought the State was actively considering his request but that I had no other information.
5. Dr. Koch said they had started taking air samples in areas known to be free of alpha contamination. He said various counts were being made on these samples as a start in their proposed development of a method for a quick evaluation of gross plutonium. He said he had not evaluated any results yet, so could not comment.

Following these discussions, I telephoned Don Honey, State of California, to inform him of Item 1 in this memo. Mr. Honey performs the licensing function on the KCM operations in California. During the conversation, Mr. Honey gave me some information which he said was very confidential and off the record. He said in the current State-U. S. Nuclear hearing there was a good possibility that some sort of a compromise agreement would be reached. He said this might involve a cessation of the hearing

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proceedings, with the State withdrawing some of its charges, and ICM voluntarily vacating the U. S. Nuclear license and decontaminating the facility in a manner and to limits agreeable to the State.

Original by
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