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PRIORITY

P R I O R I T Y

TWX NR 1398C 162353Z

FM REEVES USAEC ALBUQ NMEX

TO BRIG GEN A D STARBIRD DMA USAEC WASHDC

INFO USAEC LOSA BR LOSA

AEC GRNC

BT

CONTINUED TO BE UNCLASSIFIED
AUTHORITY: DOE/SA-20
BY R.S. DEWEY, DATE: 1/8/94

1960 JUN 16 PM 10 23

CLASSIFICATION CANCELLED

BY AUTHORITY OF Doc
BY DeFranco DATE _____

U.S. ATOMIC ENERGY COMM.
TWX UNIT

~~This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Sec. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.~~

~~CONFIDENTIAL~~ DI ATTN JOSEPHSON RE TELEPHONE CONVERSATION OF THIS DATE CONCERNING TRANSFER OF EPG. THE FOLG IS SUGGESTED LANGUAGE FOR THAT PORTION OF YOUR TWX C-85 DTD JUNE 10 1960 CMM RELATING TO DISTRIBUTION OF OVERHEAD CLN [QUOTE IT IS UNDERSTOOD THAT THE AEC IS NOW CONSIDERING THE DESIRABILITY OF CONTINUING THE AEC FACILITIES DIVISION AS A SEPARATE ORGANIZATION WITHIN HOLMES AND NARVER CMM INC. HOWEVER CMM PENDING A DETERMINATION BY AEC AS TO THE CONTINUANCE OF SUCH ORGANIZATION CMM AEC AND NAVY WILL CMM EFFECTIVE JULY 1 1960 --- ETC. UNQUOTE THE FOREGOING CONSTITUTES A PREFIX TO LANGUAGE WITH WHICH YOU START PARAGRAPH 5. IT IS SUGGESTED FURTHER THAT THE WORDS QUOTE OFFICE OVERHEAD COST UNQUOTE MIGHT BE CHANGED TO QUOTE INDIRECT CHARGES. UNQUOTE PARA.] WE UNDERSTAND THAT A CHARGE FOR MOTHBALLING ONLY IS BEING CONSIDERED FOR THE FOUR CRAFT LOCATED AT PEARL HARBOR. COULD AGREE WITH THIS IF NECESSARY PROVIDED IT IS A ONE TIME ONLY CHARGE. IF NO RQMTS ARE DEVELOPED WITHIN THE DOD WOULD PREFER DISPOSITION ON A WHERE-IS-AS-IS BASIS WITH NO CHARGES FOR REHABILITATION OR REPAIR ACCRUING TO AEC. IN THIS CONNECTION CMM WE ARE ASSUMING THAT ALL CRAFT REGARDLESS OF OWNERSHIP CMM IN USE BY THE AEC CONTRACTOR AT EPG CMM WILL BE ACCEPTED BY PMR WITH NO ADDL FUNDING REQUIRED FROM AEC FOR REHABILITATION OR REPAIR.

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WE DO NOT AGREE THAT IT WILL TAKE 40 OR 50 MEN A PERIOD OF 2 OR 3 MONTHS TO READY EQUIPMENT FOR RETURN TO CONUS. THERE IS NO PRESSURE ON THIS MOVEMENT AND WE WOULD PROPOSE THAT SHIPMENT BE MADE WHEN VESSELS ARE AVAILABLE AND WILL BE ON A RETURN TRIP FOR OTHER REASONS. WE ARE OBTAINING ESTIMATES ON THE FOREGOING BASIS AND WILL EVALUATE THE ECONOMICS CAREFULLY. THE ACQUISITION COST OF THE EQUIPMENT INVOLVED IS WELL IN EXCESS OF ONE HALF MILLION DOLLARS. WE WILL ADVISE FURTHER OUR EVALUATION WHEN MORE DEFINITIVE INFO IS AVAILABLE END REF TA VWL 2390

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END PLS ACK TKS WWM

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