

REPOSITORY NARA/College Park  
COLLECTION AEC Minutes (NARS-344-92-006) ATOMIC ENERGY COMMISSION  
BOX No. 3  
FOLDER Vol 7 (1 of 2) MEETING NO. 542

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2:30 p.m., Wednesday, March 28, 1951

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Present

Gordon Dean  
Sumner T. Pike  
Thomas E. Murray  
Henry D. Smyth  
T. Keith Glennan

Walter J. Williams  
Everett L. Hollis

Roy B. Snapp  
Philip J. Farley

Also Present

Philip Sporn  
Edward W. Morehouse  
Lawrence R. Hafstad  
George L. Weil  
Philip Mullenbach  
Morse Salisbury  
Harold L. Price  
William Kelley  
Edward J. Bloch  
Frank Pittman  
Francis J. McCarthy

1. AEC 184/22 - Report of the Ad Hoc Advisory Committee on Cooperation with the Electrical Power Industry

Mr. Sporn and Mr. Morehouse reviewed for the Commission in considerable detail the findings and recommendations of their Ad Hoc Committee.

Mr. Dean expressed the Commission's appreciation for the work of the Committee. The report would of necessity require review by the Commission and its staff. Upon completion of the review, the Committee would be advised of the Commission's action in implementation of the recommendations.

At this point Messrs. Sporn, Morehouse, Hafstad, Weil, and Mullenbach left the meeting and Messrs. Farley and Price entered.

REPRODUCTION CANCELLED  
AUTHORITY: DOE-DPC  
BY: [Signature] DATE: 5/11/90  
[Signature]

2. Security Clearances for GREENHOUSE Observers

The Deputy General Manager said that the Washington Area Security Office had raised the question of clearance for some members of Congress planning to attend the GREENHOUSE weapons tests. After further discussion, the Commission:

a. AGREED that the following members of Congress should be given access to the restricted data required in the capacity of official observer of Operation GREENHOUSE:

	<u>NAME</u>	<u>OFFICE</u>
Senator	Burnet R. Maybank	Senate Appropriations Committee
Senator	Lister Hill	Senate Appropriations Committee
Senator	Allen J. Ellender	Senate Appropriations Committee
Senator	Guy Cordon	Senate Appropriations Committee
Senator	Richard B. Russell	Senate Appropriations Committee
Rep.	Albert Gore	House Appropriations Committee
Senator	Edward J. Thye	Senate Appropriations Committee
Senator	Homer Ferguson	Senate Appropriations Committee
Senator	Styles Bridges	Joint Committee on Reduction of Non-essential Federal Expenditures
Rep.	Robert F. L. Sikes	House Appropriations Committee
Senator	John L. McClellan	Senate Appropriations Committee

b. NOTED that the Chairman would call the Chairman of the Joint Committee by telephone to advise him of the action in a above.

At this point Mr. Snapp left the meeting and Messrs. Kelley, Bloch, Pittman, and McCarthy entered.

3. AEC 421 and AEC 421/1 - Selection of Site and Construction Contractor for Feed Materials Production Center

The Manager, New York Operations Office, Mr. Kelley, reviewed projected requirements for feed materials and plant capacities over the next two years and pointed out the narrow margin of processing capacity and the need for new facilities. He reviewed the process of selection of the proposed site for the new installation. In response to a question from Mr.

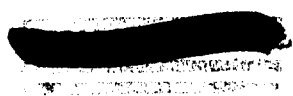
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Smyth, he said that when the new plant was in operation there would be standby facilities available for all major segments of the work to be done there, should the new center be made inoperative by bombing or other causes. In response to questions from Mr. Dean and Mr. Smyth, he said that while the proposed site north of Cincinnati was just outside the inner defense zone established by the Department of Defense, it was sufficiently near the zone so that no objection from the Department of Defense was expected. Further an integrated plant was desirable for reasons of economy and efficiency of operations. The Cincinnati location was central both to the ports of New Orleans and New York to which ore deliveries might be made, and to the AEC centers at Hanford, Oak Ridge, Paducah, and Savannah River, which would use the plant's products. Transportation facilities were outstanding. He showed an aerial photograph of the recommended site and explained the requirements of space for security, for safety, and for storage which justified the amount of land to be acquired. The advantages of an available labor market and supporting community facilities were judged to outweigh any saving in the cost of land at a more remote location. Other technical considerations bearing on the selection of the recommended site were discussed. Mr. Murray remarked on the desirability of simple and economical design, especially for administrative buildings.

Mr. Kelley also reviewed the process which led to the selection and recommendation of George A. Fuller Company as construction contractor, a recommendation in which the Director of Production concurred. At Mr. Murray's request Mr. Kelley read the list of members of the New York Operations Office contract Board (AEC 421/1) who had made the initial selection and reviewed their experience and qualifications. It was pointed out that, consistent with Commission policy where other factors were equal, the selected firm was one which previously had not been engaged to any considerable extent in the atomic energy program.

At this point Mr. Glennan left the meeting.

Mr. Kelley also reviewed the steps taken to date in looking for a suitable operating contractor for the new feed materials center. The leading prospects were the Mallinckrodt Company and the National Lead Company. The Mallinckrodt Company had the advantage of experience and know-how in several segments of the work to be carried on at the new installation, but conversations with company representatives had revealed that the company would want a fee of one and one-half million dollars annually for operation



of the plant, which in Mr. Kelley's opinion was excessive. The National Lead Company lacked the direct experience and know-how of Mallinckrodt, but was highly regarded and could be expected to do an excellent job after suitable training. The company was eager to undertake the project for a very low fee probably of the order of \$100,000 a year.

Mr. Dean said that other factors being equal, it was preferable to have more than one contractor with experience in each of the major production activities of the Commission; and for this reason the selection of the National Lead Company should be given every consideration. Mr. Murray suggested that the Mallinckrodt Company should be given an opportunity to make a final offer before a decision was made. After further discussion, the Commission:

- a. APPROVED the recommendation of AEC 421;
- b. NOTED that notifications as to the site and issuance of the proposed press release would be held in abeyance until the views of the Department of Defense on the strategic location of the site have been received;
- c. NOTED WITH APPROVAL the selection of the George A. Fuller Company as the construction contractor; and
- d. REQUESTED that a written statement be obtained from the Mallinckrodt Company as to the terms on which they would be willing, if selected, to operate the proposed feed materials production center.

Roy B. Snapp  
Secretary

Philip J. Farley  
Acting Secretary

Approved by the Commission: April 17, 1951