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APPROVAL NO. 143
Article II, Section 8(b)

RICHLAND, WASHINGTON HANFORD ATOMIC PRODUCTS OPERATION

326-72K1424
LOCATION # 157352
Box # 3615
FOLDER: GENERAL ELECTRIC
APPROVAL LETTERS
76 UP TO 150

U. S. Atomic Energy Commission
Hanford Operations Office
Richland, Washington

Attention: Mr. J. E. Travis, Manager

Gentlemen:

EXTRUSION OF URANIUM DIOXIDE FOR GENERAL ELECTRIC - APED

The Atomic Power Equipment Department of the General Electric Company, located at San Jose, California, is desirous of securing the services of Hanford Laboratories Operation for the fabrication of approximately 135 extruded, natural enrichment, uranium dioxide pieces, described in their "Request for Quotation No. 27747" (copy attached). Hanford Laboratories can perform this work without significant interference with established programs and it has been determined that this service is not available from commercial sources. The purpose of this letter is to secure authorization to perform this service upon the following terms and conditions.

The uranium dioxide necessary for this fabrication (approximately 40 pounds) is available at Hanford and is known to be extrudable. We propose that this material be used and transferred to our Atomic Power Equipment Department under its Source Material License No. C-3351. Arrangements for transferring accountability and for establishing the value of the material will be developed with appropriate representatives of your office in accordance with established procedures. A small amount of scrap will be generated in the process but, since this will be usable and is needed in swaging studies at Hanford, we do not propose to charge for reprocessing.

Estimated fabrication costs are detailed below:

	<u>Man-Hours</u>	<u>Material</u>
Material Preparation	5.0	\$ -0-
Extrusion	4.0	-0-
Sintering	2.0	31.20
Finishing	12.5	9.00
Packaging	1.5	7.00
	<u>25.0</u>	<u>47.20</u>

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	<u>Man-Hours</u>	<u>Material</u>
Labor @ \$7.50/hour		\$187.50
Charge for use of facilities		12.57
Total Direct Cost		247.27
General Overhead		139.73
		\$387.00

The above cost estimate conforms with the full cost pricing policy of the AEC as set forth in AEC Manual Chapter 1702 and includes a 15% added factor to cover applicable AEC overheads.

We propose to fabricate the pellets in accordance with the specifications furnished by the Atomic Power Equipment Department, with acceptable modifications and to bill that Department for fabrication services in accordance with the above estimate. When it is established, an appropriate credit will be made to the Commission for the value of the uranium dioxide. All monies collected will be credited to Contract funds.

Your authorization, under the provisions of Section 8 (b) of Article II of Contract W-31-109-Eng-52, for the performance of this work upon the above terms and conditions, and your agreement that it is work to which the provisions of that Contract, including Section 1 of Article XXXIV, apply is hereby requested, and may be signified by your signing and returning the original and two copies of this letter.

Yours very truly,

General Manager

WK MacCready:RLW:ec

Attachment

APPROVED: _____, 1957

U. S. ATOMIC ENERGY COMMISSION

Hanford Operations Office