

CONFORMED COPY

OPERATING CONTRACT NO. AT(45-1)-2130

BETWEEN

UNITED STATES OF AMERICA

REPRESENTED BY

UNITED STATES ATOMIC ENERGY COMMISSION

AND

ATLANTIC RICHFIELD HANFORD COMPANY

CHEMICAL PROCESSING OPERATION

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ATLANTIC RICHFIELD HANFORD COMPANY NEGOTIATIONS

Don Williams went to Seattle on the afternoon of July 5, 1967, to meet with Commissioner Johnson and the representatives from Atlantic Richfield to plan the agenda for the next two days. Atlantic Richfield representatives were:

- R. D. Bent, Senior Vice President
- L. M. Richards, Vice President
- J. M. Schultz, Controller
- R. P. Corlew, Manager of Coordination, Richfield Division
- H. B. Off, Senior Counsel, Labor Relations
- D. R. Gerner, Manager, Employee Relations
- L. W. Cook, Labor Relations
- N. E. Birch, Patent Counsel
- D. W. McPhail, Manager, Evaluation

The first contract discussion took place on the afternoon of July 6, 1967, in the Federal Building with the Atlantic Richfield representatives, Commissioner W. E. Johnson, D. G. Williams, B. P. Helgeson, H. E. Parker, A. M. Waggoner and O. J. Elgert. RL representatives stressed the need for Atlantic Richfield to take over existing procedures, personnel, salaries and fringe benefits. Atlantic Richfield agreed to do this in the interest of a speedy, orderly takeover of the operations of the 200 Area.

Commissioner Johnson stressed the need for proper emphasis on nuclear materials management. He pointed out the recent interest that the Joint Committee had shown, the Headquarters recent reorganization of nuclear materials and the troubles NUMEC had encountered. Mr. Schultz stated that prior to takeover they would hire a consultant specialist in the nuclear material management field to review the inventory procedures for transfer of material. Waggoner pointed out that the RL situation was different from NUMEC's as under the terms of our operating contract Atlantic Richfield had no financial liability unless due to willful misconduct. It was Atlantic Richfield's position that recognizing the lack of liability their public image could be tarnished if provision was not made for a prudent review of procedures and testing of physical inventories of plant, equipment, stores material and nuclear materials. In addition to the nuclear materials consultant, Atlantic Richfield proposed to have Lybrand, their outside public accountants, furnish one or two men to participate in the inventory procedures review and physical inventory. It was pointed out that to assure an early takeover only a minimum inventory of plant, equipment and stores material would be made. Reliance will be placed on individual custodians, not the corporation.

It was agreed that Purex would be shut down, cleaned out, and the inventory taken. The plant would not start back into operation until after takeover by Atlantic Richfield.

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