

BA&F  Reports

SAF 8- Reports

Date	To	From	Class.	Exp. No.	To	From	Class
1 12-31-64	FARET	ET					

Budget 8

Copy - Germantown

~~OFFICIAL USE ONLY~~

Records & Registration Branch

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

UNITED STATES GOVERNMENT

Memorandum

W. B. McCool

TO : File

FROM : W. B. McCool, Secretary

DATE: March 21, 1966

SUBJECT: PRESIDENT'S MARCH 15 MEMORANDUM RE U.S. PARTICIPATION IN INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SECY:JCH

1. At Information Meeting 569 on March 18, 1966, the Commissioners noted the President's March 15 memorandum regarding U.S. participation in international organizations and programs and requested a report on past, current, and projected costs of the International Atomic Energy Agency.

2. It is our understanding the Division of International Affairs is taking the required action.

- cc:
- Commissioners
- General Manager
- Deputy General Manager
- Exec. Asst. to the Gen. Mgr.
- Asst. Gen. Mgr. for IA
- General Counsel
- Dir., IA
- Controller

*og read JA. 5
JA-12 JAEA*



~~OFFICIAL USE ONLY~~

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

3-21-66

CROSS-REFERENCE (Name, number, or subject under which this form is filed)		[REDACTED]
	➔	MR&A 9-2 Military Requirements
		[REDACTED]
IDENTIFICATION OF RECORD	DATE	
	TO	
	FROM	
	BRIEF SUMMARY OF CONTENTS	Memo for Commissioner Ramey frm. the Controller and DMA re report on BOB statements re Weapons Production which was requested at Mtg. 2170 re possible inefficiencies in AEG weapons production.
FILED (Name, number, or subject under which the document itself is filed)	Materials 5 Production Costs date of memo: 3-15-66	
CONFIRMED TO BE UNCLASSIFIED DOE NSI DECLASSIFICATION REVIEW E.O. 12958 BY: <u>SP EA PAM 6-21-99</u> DOENR-323 THIS PAGE ONLY		
Optional Form 21 Feb. 1962 GSA Circular 290		
CROSS-REFERENCE		

3-15-66

Page 8
~~OFFICIAL USE ONLY~~

UNITED STATES GOVERNMENT

Memorandum

Reference & Reproduction Branch

TO : John P. Abbadessa, Controller
Brig. Gen. D. L. Crosson, Dir., MA

FROM : W. B. McCool, Secretary

DATE: January 18, 1966

SUBJECT: REPORT ON BOB STATEMENTS RE AEC WEAPONS PRODUCTION

SECY:GF

1. At Meeting 2170 on January 12, 1966, during the Controller's Quarterly Report for First Quarter 1966, Commissioner Ramey requested information answering recent BOB statements of possible inefficiencies in AEC weapons production.

2. The General Manager has directed you to take the action required by the above request.

- cc: Chairman
- Commissioner Ramey
- General Manager
- Deputy General Manager
- Asst. General Manager
- Exec. Asst. to Gen. Mgr.
- General Counsel



*Copy filed:
MK. A-9-2 Mil Requirements*

1-18-66

FY 1966 FIRST QUARTER FINANCIAL REVIEW

CONSTRUCTION PROJECTS

Office of the Controller
Budget Operations Branch
December 20, 1965

12.20.65

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction Projects
(In Millions)

SUMMARY

FY 1966 Appropriation	\$ 88.9
Unobligated Balance 6/30/65	218.7
Planned Carry-over to FY 1967	-17.0
Available for Obligation, FY 1966	<u>290.6</u>
Actual Obligations thru September, 1965	22.8
Unobligated Funds 9/30/65	<u>267.8</u>

Analysis of Unobligated Amount

Projects Not Started - Table I	136.1
Projects Which Had Substantial Unobligated Balances at	
9/30/65 - Table II	77.3
FY 1966 General Plant Projects (TEC \$42,325)	36.2
Other Project (81 Projects)	18.2
Total	<u>\$ 267.8</u>

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction - Problem Projects

<u>Special Nuclear Materials</u>	<u>Funded Estimate</u>
64-a-2 Waste fractionization facilities, Richland, Washington	\$3,700,000

Design is now 80% complete. Construction started in February, 1965, and is now 16% complete. At the time construction started the TEC was \$4.2 million and within the 25% overrun limitation. As of September 30, 1965, obligations were \$1.3 million. The remaining \$2.4 million of the funded \$3.7 million was allotted in November, 1965, in order that work can continue without interruption.

Both Richland and Headquarters have given this project an extensive review with the result that a revised data sheet has been prepared and submitted showing a current TEC of \$7.0 million. The principal reason for this increase appears to be that the original estimate which was prepared in March, 1963, involved processes in a relatively new field of technology and was grossly underestimated, in light of current experience and the present advanced state of design work on this project. Also contributing to the increase, but to a lesser degree, are excessive contamination levels and escalation due to the time lag.

The increase of \$3.3 million includes non-fund costs of \$0.2 million and increased fund requirements of \$3.1 million. Funds to cover this increase are available from underruns in other projects. Apportionment action by the Bureau of the Budget is being requested.

Reactor Development

65-4-a Zero power plutonium reactor, NRTS, Idaho	3,300,000
--	-----------

Title II design is 80% complete and construction is 3% complete at November 30, 1965. The only construction accomplished is expansion of the utility system. The start of construction on the main ZPPR facility and further procurement have been suspended until problems relative to containment have been resolved. This will require some redesign of the facility and may increase the total cost by as much as \$450,000. This amount would increase the TEC to the maximum allowable at the time of start of construction. The amount of \$2.1 million is held in ABC reserve.

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction - Problem Projects

- continued -

	<u>Funded Estimate</u>
<u>Reactor Development - continued</u>	
64-a-3 SNAP development and test facilities, Santa Susana, California	\$ 625,000

Title II design was 93% complete at the end of November. Bids on the principal equipment components are being solicited in order to verify the total estimated cost as accurately as possible before starting construction. The funded estimate is at the maximum allowable cost at time of construction start. All funds except for design are held in AEC Reserve.

61-d-9 Advanced test reactor	55,266,522
------------------------------------	------------

Idaho has increased the field estimate for the ATR project by \$500,000 to a total of \$55,800,000 to provide a higher contingency for the Gas Test Loop because of the difficulties experienced in obtaining responsive bids on the critical procurement items for the Gas Test Loop. However, since there still is a \$600,000 contingency on the gas test loop, no action is being taken at this time by Headquarters to increase the TEC. The amount of \$1,450,000 is held in AEC Reserve.

60-e-11 Natural circulation test plant, NRTS, Idaho	18,373,664
---	------------

Construction is complete. All funds have been obligated.

A claim was submitted in February 1964 by Shaw & Estes, construction contractors, for \$2.2 million for costs incurred through December 31, 1963, with the proviso that this amount did not include any costs incurred after December 31, 1963 in settling the claim. No allowance for this claim is included in the project estimate of \$18.4 million.

The claims problem has been under review by the General Accounting Office for several months. A final report is not now expected from the GAO until after January 1, 1966. It is possible that the claim may end up in the Court of Claims and, if this happens, there would probably be a considerable time lag before any settlement is forthcoming.

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction - Problem Projects

- continued -

<u>Physical Research</u>	<u>Funded Estimate</u>
65-5-a Argonne advanced research reactor	\$25,000,000
<p>As of November 30, 1965, Title I A/E was only 26% complete compared to 31% scheduled. Title II A/E is scheduled to begin June 1, 1966. There is no schedule for start of construction. In this connection, the project data sheet supporting the authorization request indicated start of construction in the second quarter of FY 1965. The amount of \$21.5 million is held in BOB Reserve, and \$0.3 million is held in AEC Reserve.</p>	
65-5-b Accelerator improvements, ANL	1,650,000
<p>This project provides: (1) an addition to the existing Bubble Chamber Building which will connect to the service tunnel and (2) a cooling tower service building. Title II was completed on 9/4/65. All six construction bids opened on 9/28/65 for this project were in excess of available funds and were rejected. A priority list of items of work within the available funds has been submitted to the Division of Research by Chicago and is now under review. The total estimated cost will be held to the authorized amount of \$1,650,000.</p>	
61-f-7 Linear electron accelerator (SLAC)	114,000,000
<p>Obligations for the SLAC project were \$97.0 million through September 30 and \$97.5 million through October 31. Costs plus commitments through October 31 total about \$93.6 million and construction was 80% complete compared to 88% scheduled. The amount available for contingency and escalation is now \$7.3 million, which amounts to about 26.6% of other costs remaining. This compares to a provision for contingency and escalation of \$24.7 million, or 27.6% of other costs, at the time of project authorization. There has been no increase in the authorized total project estimate of \$114 million. There is need for continuing close attention to project costs particularly if there is any indication of significant delay in completion of construction which is now expected about the end of calendar year 1966.</p>	

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction - Problem Projects

- continued -

<u>Biology and Medicine</u>	<u>Funded Estimate</u>
66-7-d Air conditioning, Argonne Cancer Research Hospital	\$ 750,000

Title II engineering was completed on October 15, 1965 and construction bids were received on October 19, 1965. The lowest bid exceeded the authorized amount by a significant amount. Bids are now being evaluated to determine whether the project can be accomplished within the authorized amount.

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/65</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
<u>Special Nuclear Materials</u>					
66-1-a Sludge removal and waste transfer facility, Richland, Washington	\$ 2.7	0.3	5/65	N. S.	N. S.
65-1-a Radio-surgery facility, Richland, Washington	0.3	a/	3/65	2/66	3/67
65-1-b Isotopes production plant, Richland, Washington	2.5	-	N. S.	N. S.	N. S.
64-a-4 Additional waste storage facilities, Savannah River, South Carolina	7.7	0.3	9/65	N. S.	N. S.
<u>Weapons</u>					
66-2-a Vibration test data and control facility, Sandia Base, Albuquerque .	0.6	a/	8/65	1/66	8/66
66-2-b Weapons production, development, and test installations	10.0	a/	9/65	11/65	N. S.
66-2-c Electron-positron accelerator facility, LRL, Livermore .	4.1	-	8/65	10/66	12/67
66-2-d Environmental test facility, LRL, Livermore	2.3	-	1/66	2/67	3/68
66-3-a Weapons test support facility, Los Alamos	1.3	-	2/66	7/66	6/67
66-3-b Supplemental water supply, Los Alamos	0.7	-	N. S.	N. S.	N. S.
66-3-c Physics analytical facility, Los Alamos	0.8	a/	7/65	2/66	3/67
66-3-d Explosives engineering area rehabilitation, Los Alamos	1.4	a/	1/66	3/66	8/66
66-3-e Warehouses - NTS, Nevada .	0.7	a/	7/65	1/66	6/66

a/ Less than \$50,000.

(N. S. Not Scheduled)

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction ProjectsI Projects Not Started
(In Millions)

- continued -

Program and Project	Total Estimated Cost	Oblig. thru 9/30/65	Title I Design Start	Construction	
				Start	Completion
<u>Weapons - continued</u>					
66-3-f Control point additions and modifications, Phase II - NTS, Nevada	\$ 1.0	a/	8/65	1/66	12/66
65-2-b Analytical laboratory expansion, Rocky Flats	3.0	0.8	11/64	8/65	1/67
65-3-d Experimental physics facili- ties additions, LRL, Livermore	4.0	0.4	1/65	1/66	3/68
65-3-e Chemistry development facili- ties, LRL, Livermore	2.0	0.4	11/64	10/65	8/66
<u>Reactor Development</u>					
66-4-a Sodium pump test facility ..	6.8	-	1/66	N. S.	N. S.
66-4-b Electron linear accelerator, ORNL	4.8	a/	5/65	N. S.	N. S.
66-4-c Modifications to reactors ..	3.0	-	N. S.	N. S.	N. S.
66-4-d Research and development test plant, Project Rover, LASL and NTS	3.0	-	10/65	4/66	2/67
66-4-e Re-entry burnup test facility, Sandia Base, New Mexico	2.5	0.1	9/65	4/66	4/67
64-e-2 Fast reactor test facility (FARET), NRTS	3.7	3.4	12/62	N. S.	N. S.
64-e-3 SNAP development and test facilities, Santa Susana, California	0.6	0.1	7/64	1/66	12/66
<u>Physical Research</u>					
66-5-a Low energy accelerator improvements, ANL	1.0	-	N. S.	N. S.	N. S.
66-5-b Bubble chamber and experimental area, ANL	17.0	0.8	10/65	N. S.	N. S.
66-5-c Accelerator improvements, ZGS	2.3	-	N. S.	N. S.	N. S.

a/ Less than \$50,000.

(N. S. Not Scheduled)

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)

- continued -

Program and Project	Total Estimated Cost	Oblig. thru 9/30/65	Title I Design Start	Construction	
				Start	Completion
<u>Physical Research - continued</u>					
66-5-d Accelerator and reactor additions and modifications, BNL	\$ 2.3	-	N. S.	N. S.	N. S.
66-5-e Alternating gradient synchrotron conversion, BNL	2.0	-	10/64	N. S.	N. S.
66-5-f Accelerator improvements, Cambridge & Princeton	0.5	-	N. S.	N. S.	N. S.
66-5-g Accelerator improvements, LRL	1.4	a/	N. S.	N. S.	N. S.
66-5-h Meson physics facility, Los Alamos (AE only)	1.2	-	N. S.	N. S.	N. S.
66-6-a Solid state science building, ANL	4.0	0.2	6/65	5/66	1/68
66-6-b Alternating gradient synchrotron service building addition, BNL	1.6	0.1	8/65	6/66	8/67
66-6-c Land acquisition, BNL	2.0	-	-	-	-
66-6-d Electron linear accelerator facility, MIT	4.6	-	N. S.	N. S.	N. S.
65-5-a Argonne advanced research reactor	25.0	3.2	6/65	N. S.	N. S.
65-6-a Lecture hall and cafeteria, BNL	2.3	0.2	1/65	3/66	8/67
65-6-e High energy physics laboratory, CIT	2.0	2.0	9/65	8/66	3/68
62-g-5 Physics building, University of Chicago	0.4	0.4	4/65	12/65	12/66

a/ Less than \$50,000.

(N. S. Not Scheduled)

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I. Projects Not Started
(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/65</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
<u>Biology and Medicine</u>					
66-7-a Virus control laboratory, ORNL	\$ 1.4	\$ 0.1	3/65	12/65	6/67
66-7-b Co-carcinogenesis mammalian receiving, isolation, and control laboratory, ORNL .	0.5	a/	2/65	11/65	5/66
66-7-c Animal laboratories, BNL .	1.0	0.1	8/65	6/66	8/67
66-7-d Air conditioning, Argonne Cancer Research Hospital .	0.8	a/	4/65	12/65	8/66
65-7-c Biomedical and animal laboratory, IRL, Livermore	3.5	0.5	12/64	3/66	8/67
<u>Community</u>					
66-8-a Classroom addition, White Rock Elementary School, Los Alamos	0.3	a/	6/65	11/65	6/66
66-8-b Classroom addition, Pueblo Jr. High School, Los Alamos	0.1	a/	6/65	11/65	6/66
66-8-c Classroom addition, Barranca Mesa Elementary School, Los Alamos	0.2	a/	6/65	11/65	6/66
66-8-d Classroom addition, Los Alamos High School, Los Alamos	0.4	a/	6/65	11/65	6/66
66-8-e Bayo Canyon sewage disposal plant expansion, Los Alamos	1.0	-	N. S.	N. S.	N. S.
65-8-c Water distribution system additions, Phase III, White Rock, Los Alamos	0.3	a/	6/65	12/65	9/66
65-8-d Sewage disposal plant, White Rock, Los Alamos ...	0.6	a/	6/65	12/65	9/66
<u>Construction Planning and Design</u>					
66-10 Construction planning and design	0.3	-	N. S.	N. S.	N. S.

a/ Less than \$50,000.

(N. S. Not Scheduled)

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial Unobligated Balances
September 30, 1965
(In Millions)

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/65</u>	<u>Unobligated Balance</u>	<u>Estimated Completion Date</u>
<u>Special Nuclear Materials</u>				
64-a-2 Waste fractionization facilities, Richland, Washington	\$ 3.7	\$ 1.3	\$ 2.4	10/66
61-a-6 Moderator purification improvements, Savannah River, South Carolina	1.7	1.2	0.5	Completed
59-a-5 New production reactor, Richland, Washington	199.3 ^{a/}	196.2	3.1	N. S.
<u>Weapons</u>				
65-2-c Weapons production, development, and test installations	10.0	5.3	4.7	7/67
65-3-b Utility and supporting services additions, Rocky Flats, Colorado	2.2	0.9	1.3	11/66
65-3-c Supplemental water supply, Los Alamos Scientific Laboratory, New Mexico	1.6	0.4	1.2	6/66
64-c-1 Weapons production, development, and test installations	10.0	8.5	1.5	7/66
64-c-2 Explosive component plant, Mound Laboratory, Miamisburg, Ohio	1.0	0.4	0.6	1/67
64-d-13 Radiochemistry building, Lawrence Radiation Laboratory, California	5.9	4.9	1.0	4/67
64-d-18 Development laboratory, Sandia Base, New Mexico	3.8	2.5	1.3	5/66

a/ Excludes \$0.4 non-fund costs.

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction ProjectsII Projects Which Had Substantial Unobligated Balances

September 30, 1965

(In Millions)

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/65</u>	<u>Unobligated Balance</u>	<u>Estimated Completion Date</u>
<u>Reactor Development</u>				
65-4-a Zero power plutonium reactor NRTS, Idaho	\$ 3.3	\$ 1.2	\$ 2.1	6/67
65-4-b Power burst facility, NRTS, Idaho	9.2	2.7	6.5	9/67
65-4-c Research and development test plant, Project Rover, LASL and NTS	3.0	2.3	0.7	3/66
65-4-d Modifications to reactors ..	2.7	1.5	1.2	12/67
64-e-4 Nuclear Safety engineering test facilities, NRTS ...	19.4	13.2	6.2	12/67
64-e-7 Thorium-uranium fuel cycle development facility, ORNL	7.3	6.3	1.0	3/67
61-d-9 Advanced test reactor ...	55.3	51.7	3.6	7/67
59-d-10 Flexible experimental prototype gas-cooled reactor	57.5	56.6	0.9	2/66
58-111 Cooperative power reactor demonstration program ...	59.8	51.9	7.9	Completed
56-b-2 Fast power breeder pilot facility (EBR-II)	34.5	33.0	1.5	Completed
<u>Physical Research</u>				
65-5-b Accelerator improvements, ZGS	1.7	0.3	1.4	1/67
64-g-4 Tandem Van de Graaff facility, Brookhaven National Laboratory	12.0	6.4	5.6	6/68
61-f-7 Linear electron accelerator (Stanford)	114.0	97.0	17.0	12/66
60-g-3 Transuranium processing laboratory, Oak Ridge National Laboratory, Tenn.	8.7	8.0	0.7	4/66

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

II. Projects Which Had Substantial Unobligated Balances

September 30, 1965

(In Millions)

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/65</u>	<u>Unobligated Balance</u>	<u>Estimated Completion Date</u>
<u>Community</u>				
63-CDP Community disposal project, Los Alamos, New Mexico ..	\$ 8.7 ^{b/}	\$ 5.9	\$ 2.8	6/67
<u>Construction Planning and Design</u>				
65-10 Construction planning and design	1.4	0.8	0.6	-

b/ TEC includes additional funding of \$0.7 million after FY 1966.

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW
CAPITAL EQUIPMENT NOT RELATED TO CONSTRUCTION

Office of the Controller
Budget Operations Branch
December 20, 1965

12-20-65

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Capital Equipment Not Related to Construction
(Obligations - In Millions)

SUMMARY

<u>Category</u>	<u>Budget Approved by Congress (1)</u>	<u>FY 1966 Financial Plan (2)</u>	<u>Three Months Actual (3)</u>	<u>Available for Balance of Year (Col. 2-3) (4)</u>
Raw Materials	\$ a/	\$ a/	\$ a/	\$ a/
Special Nuclear Materials	16.5	16.5	3.4	13.1
Weapons	54.7	54.7	9.1	45.6
Reactor Development	30.7	30.7	4.8	25.9
Physical Research	44.9	44.9	8.0	36.9
Biology and Medicine	4.5	4.5	1.0	3.5
Training, Education and Information	0.7	0.7	0.1	0.6
Isotopes	1.9	1.9	0.4	1.5
Flowsare	0.5	0.5	0.1	0.4
Community	0.2	0.2	0.1	0.1
Administrative	<u>0.5</u>	<u>0.5</u>	<u>a/</u>	<u>0.5</u>
Total Obligations	<u>\$ 155.1</u>	<u>\$ 155.1</u>	<u>\$ 27.0</u>	<u>\$ 128.1</u>

a/ Less than \$50,000.

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Capital Equipment Not Related to Construction
(Obligations - In Millions)

<u>Category and Activity</u>	<u>Budget Approved by Congress</u> (1)	<u>FY 1966 Financial Plan</u> (2)	<u>Three Months Actual</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Raw Materials</u>	\$ a/	\$ a/	\$ a/	\$ a/
<u>Special Nuclear Materials</u>				
Feed Materials	1.0	1.0	0.2	0.8
U-235 Production	1.8	1.8	0.4	1.4
Reactor Products Production	8.5	8.5	2.0	6.5
Separations of Irradiated Non-Production Reactor Fuels	0.4	0.4	-	0.4
Process Development	2.0	2.0	0.4	1.6
Other Capital Equipment	<u>2.8</u>	<u>2.8</u>	<u>0.4</u>	<u>2.4</u>
Total Special Nuclear Materials	16.5	16.5	3.4	13.1
<u>Weapons</u>				
Production, Storage, and Surveillance	16.4	16.6	3.5	13.1
Nuclear Research and Development ..	11.1	10.9	2.2	8.7
Non-Nuclear Engineering and Development	9.5	9.5	1.5	8.0
Testing of Atomic Weapons	11.9	11.8	1.2	10.6
Other Capital Equipment	<u>5.8</u>	<u>5.9</u>	<u>0.7</u>	<u>5.2</u>
Total Weapons	54.7	54.7	9.1	45.6
<u>Reactor Development</u>				
Civilian Power Reactors	3.7	4.2	0.4	3.8
Cooperative Power Reactor Demonstration Program	0.2	0.4	-	0.4
Euratom	0.1	0.1	-	0.1
Merchant Ship Reactors	-	0.2	-	0.2
Army Power Reactors	0.3	0.3	-	0.3
Naval Propulsion Reactors	2.8	2.8	0.5	2.3
Rocket Propulsion Reactors	5.6	5.6	1.5	4.1
Missile Propulsion Reactors	-	-	0.1	-0.1
Satellite & Small Power Sources ...	4.3	3.4	0.2	3.2
General Reactor Technology	2.3	2.0	0.7	1.3
Advanced Systems R&D	1.9	1.9	0.4	1.5
Nuclear Safety	2.0	2.0	0.3	1.7
Other Capital Equipment	<u>7.5</u>	<u>7.8</u>	<u>0.7</u>	<u>7.1</u>
Total Reactor Development	30.7	30.7	4.8	25.9

a/ Less than \$50,000.

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Capital Equipment Not Related to Construction
(Obligations - In Millions)

<u>Category and Activity</u>	<u>Budget Approved by Congress</u> (1)	<u>FY 1966 Financial Plan</u> (2)	<u>Three Months Actual</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Physical Research</u>				
High Energy Physics	\$ 21.2	\$ 21.2	\$ 3.6	\$ 17.6
Medium Energy Physics	1.3	1.3	0.1	1.2
Low Energy Physics.....	6.5	6.5	0.6	5.9
Mathematics & Computer	0.4	0.4	0.1	0.3
Chemistry	5.3	5.3	1.2	4.1
Metallurgy & Materials	2.6	2.6	0.6	2.0
Controlled Thermonuclear	1.8	1.8	0.4	1.4
Other Capital Equipment	<u>5.8</u>	<u>5.8</u>	<u>1.4</u>	<u>4.4</u>
Total Physical Research	44.9	44.9	8.0	36.9
<u>Biology and Medicine</u>	4.5	4.5	1.0	3.5
<u>Training, Education and Information</u>				
Operating of Puerto Rico Nuclear Center	0.1	0.1	a/	0.1
Operation of Courses, Fellowships and Other Assistance	0.2	0.2	0.1	0.1
Technical Information Services	0.3	0.3	a/	0.3
Training Assistance to States and Local Governments in Radiation Control	<u>0.1</u>	<u>0.1</u>	<u>a/</u>	<u>0.1</u>
Total Training, Education and Information	0.7	0.7	0.1	0.6
<u>Isotopes Development</u>				
Radioisotope Technology Dev.	0.1	0.1	a/	0.1
Thermal Applications of Radioisotopes	0.2	0.1	-	0.1
Isotopic Power and Heat Source Fuels	0.7	0.8	0.2	0.6
Radioisotope Production and Separations Technology	0.4	0.4	0.1	0.3
Process Radiation Development	0.4	0.4	0.1	0.3
Radiation Preservation of Foods ...	<u>0.1</u>	<u>0.1</u>	<u>a/</u>	<u>0.1</u>
Total Isotopes Development ...	1.9	1.9	0.4	1.5

a/ Less than \$50,000.

UNCLASSIFIED

UNCLASSIFIED

FY 1966 FIRST QUARTER FINANCIAL REVIEW

Capital Equipment Not Related to Construction
(Obligations - In Millions)

<u>Category and Activity</u>	<u>Budget Approved by Congress (1)</u>	<u>FY 1966 Financial Plan (2)</u>	<u>Three Months Actual (3)</u>	<u>Available for Balance of Year (Col. 2-3) (4)</u>
<u>Civilian Applications of</u>				
<u>Nuclear Explosives (Plowshare)</u>	\$ 0.5	\$ 0.5	\$ 0.1	\$ 0.4
<u>Community</u>	0.2	0.2	0.1	0.1
<u>Administrative</u>	0.5	0.5	a/	0.5
<u>Total - All Programs</u>	<u>\$ 155.1</u>	<u>\$ 155.1</u>	<u>\$ 27.0</u>	<u>\$ 128.1</u>

a/ Less than \$50,000.

UNCLASSIFIED

CROSS-REFERENCE <i>(Name, number, or subject under which this form is filed)</i>	➔	BUDGET 8- Report
IDENTIFICATION OF RECORD	DATE	11-26-65
	TO	AEC COMMISSION
	FROM	John P. Abbadessa (Controller)
	BRIEF SUMMARY OF CONTENTS	1965 Financial Report - Weapon Stockpile Information (TS)
FILED <i>(Name, number, or subject under which the document itself is filed)</i>	ONLY ONE COPY FILED IN DC. OFFICE	
CONFIRMED TO BE UNCLASSIFIED DOE NSI DECLASSIFICATION REVIEW E.O. 12958 BY: <u>8 E.A.P.H. 6-21-99</u> DOENN-523		
THIS PAGE ONLY		
Optional Form 21 Feb. 1962 GSA Circular 118	CROSS-REFERENCE	

WAB-5551

11-26-65

12 AF 8

NOV 4 1965

Mr. Frank M. Weitzel
Acting Comptroller General
U. S. General Accounting Office

Dear Mr. Weitzel:

I am enclosing two copies of our 1965 Financial Report
for your information.

Please let us know if you need additional copies of this
report.

Sincerely yours,

(Signed) John V. Vinigueras for

General Manager

Enclosure:
1965 Financial Report
(2) copies

cc: General Manager
Congressional Liaison
Secretariat
General Counsel
Controller
Mr. Campbell

RECEIVED
NOV 10 1965
U.S. GENERAL ACCOUNTING OFFICE

Comp. Liaison

Accy. Spts. Asst. Contr. Controller AGH DCA GM
for Accy. W. Campbell
WKSaling/co

11-4-65

BAF 8

NOV 4 1965

Honorable George M. Mahon
Chairman, Committee on Appropriations
House of Representatives

Dear Mr. Mahon:

I am enclosing two copies of our 1965 Financial Report
for your information.

Please let us know if you need additional copies of this
report.

Sincerely yours,

Signed John V. Vinciguerra for

General Manager

Enclosures:
1965 Financial Report
(2) copies

cc: General Manager
Congressional Liaison (2)
Secretary of the Board
General Counsel
Controller
Mr. Campbell

NOV 3 1965

Cong. Mahon

RECEIVED

Acctg. Insp. Asst. Contr. Controller
for Acctg. W. Campbell

11-4-65

Budget 4

NOV 1952

Mr. Charles E. ...
Director, Bureau of the Budget

Dear Mr. Director:

I am enclosing for you a copy of our 1952 Financial Report
for your information.

Please let us know if you have any questions or comments on this
report.

Sincerely yours,

Director, Bureau of the Budget

Enclosure:
1952 Financial Report
1 copy

Very truly yours,
Director, Bureau of the Budget

UNITED STATES GOVERNMENT
BUREAU OF THE BUDGET
WASHINGTON, D. C. 20548

NOV 1952

Budget

OCT 25 1965

MEMORANDUM FOR CHAIRMAN SEABORG
COMMISSIONER PALFREY
COMMISSIONER RAMEY
COMMISSIONER TAPE

SUBJECT: DESCRIPTION OF FINANCIAL REPORT FOR FY 1965

For your information, the Commission's Financial Report for FY 1965 is being distributed to news media on Wednesday, October 27, for use in the morning papers of Friday, October 29. A copy of the report is attached.

William P. [unclear]

Duncan G. Clark, Director
Division of Public Information

Attachment

- cc: R. E. Hollingsworth, General Manager
- H. C. Brown, AGMA
- J. J. Burke, Dir., OCR
- J. P. Abbadessa, OC
- M. K. Kellogg, OC
- W. B. McCool, Secretary *WBM*

OFFICE >	PI	PI	PI			
SURNAME >	<i>RW</i> RWNewlin/ad					
DATE >	10/22/65					

10-25-65

Budget 8

SEP 1 1965

Dear Charles:

In response to your memorandum of August 7, 1965, I am attaching the report for fiscal year 1964 requested by September 1, 1965 on AEC activity relating to Appalachia. The report for fiscal years 1965-67 requested in your memorandum by October 15, 1965, will be forwarded at a later date.

Cordially,

Charles L. Schultze

Chairman

Honorable Charles L. Schultze
Director, Bureau of the Budget

Distribution:

Chairman (2)
✓ Secretariat (2)
Gen. Mgr.
Controller
Gen. Counsel
Corso
Chron.
File
Suspense

Attachments:
As stated

Asst. Contr.
for Accounting _____
8/ /65

Asst. Contr.
for Budgets _____
8/ /65

OCBO

CONTROLLER

GEN. COUNSEL

AGM / DGM

GEN. MGR.

CHAIRMAN

Johnson:mvd

8/ /65

*copy filed
J.R.A. 3*

9-1-65

UNITED STATES GOVERNMENT

Memorandum

TO : W. B. McCool, Secretary

DATE: JAN 18 1965

FROM : J. A. Derry, Director
Division of Construction

J. A. Derry

SUBJECT: REVISED COST ESTIMATE FOR FARET

In response to your memorandum, subject as above, dated December 31, 1964, to John A. Derry and Milton Shaw, the Division of Reactor Development and Technology prepared a memo addressed to the General Manager, dated January 15, 1965, in which interim information concerning the subject was furnished.

The Division of Construction concurred in this memorandum and, as stated, plans to review, in cooperation with the Division of Reactor Development and Technology, the supplemental cost information to be furnished by the Chicago Operations Office.

cc AGMO
AGMR
Dir, RD&T
Controller



1-16-65

CROSS-REFERENCE <i>(Name, number, or subject under which this form is filed)</i>			
		 Budget 8 k Reports	
IDENTIFICATION OF RECORD	DATE		
	TO		
	FROM		
	BRIEF SUMMARY OF CONTENTS	1964 Financial Report LXXXI-785-13A One Copy Only	
FILED <i>(Name, number, or subject under which the document itself is filed)</i>		The above filed in D. C. Office dated 11-24-64	
CONFIRMED TO BE UNCLASSIFIED DOE/NSI DECLASSIFICATION REVIEW E.O. 12958 BY: <u>S. E.A. Pahl 6-21-99</u> DOB/NN-523 THIS PAGE ONLY			
Optional Form 11 Feb. 1962 GSA Circular 109		CROSS-REFERENCE	

10-1-64

AEC



**UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545**

Tel. 973-3335 or
973-3446

Budget - J
FOR USE IN MORNING PAPERS OF
WEDNESDAY, NOVEMBER 11, 1964

B-425

NOTE TO EDITORS AND CORRESPONDENTS:

Attached for your information and possible use is
the Financial Report of the Atomic Energy Commission for
the Fiscal Year 1964.

Division of Public Information

11-11-64

1952

STATE OF TEXAS
COUNTY OF DALLAS
I, the undersigned, Clerk of the County of Dallas, Texas, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the records of the County of Dallas, Texas.

CLERK OF COUNTY
DALLAS, TEXAS

WITNESSED my hand and the seal of the County of Dallas, Texas, this _____ day of _____, 1952.

NEW YORK

RECEIVED BY THE
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

NEW YORK OFFICE

RE: [REDACTED] (NY 100-100000)

DATE: [REDACTED]

TO: [REDACTED]

FROM: [REDACTED]

SUBJECT: [REDACTED]

RE: [REDACTED]

RE: [REDACTED] (NY 100-100000)
[REDACTED] (NY 100-100000)
[REDACTED] (NY 100-100000)
[REDACTED] (NY 100-100000)
[REDACTED] (NY 100-100000)

[REDACTED]

NOV 5 1964

Mr. [Name] [Address]
[City] [State] [Zip]

Dear Mr. [Name]:

I am enclosing for you a copy of our 1964 Financial Report
for your information.

Please let us know if you need additional copies of this
report.

Sincerely yours,
[Name] [Title]

[Signature]
[Name] [Title]

Enclosure:
1964 Financial Report
(1) copy

Mr. [Name] [Address]
[City] [State] [Zip]
[Name] [Title]

Page 1 of 1

1. The first part of the report is a general introduction to the subject of the study.

2. The second part of the report is a detailed description of the methods used in the study.

3. The third part of the report is a discussion of the results of the study and their implications.

4. The fourth part of the report is a conclusion and a list of references.

5. The fifth part of the report is a list of appendices.

6. The sixth part of the report is a list of figures and tables.

7. The seventh part of the report is a list of abbreviations.

8. The eighth part of the report is a list of symbols.

9. The ninth part of the report is a list of footnotes.

10. The tenth part of the report is a list of references.

11. The eleventh part of the report is a list of appendices.

1954

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]

DATE: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

[Illegible]

[Illegible]

[Illegible]

[Illegible]

[Illegible]

11-1-64

Mr. E. H. ...
Mr. ...
Mr. ...
Mr. ...
Mr. ...

Handwritten signature
[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

Boyle

~~1~~
SEP 23 1964

Budget 8-

MEMORANDUM FOR CEAIRIAN SEABORG
COMMISSIONER BUNTING
COMMISSIONER PALFREY
COMMISSIONER RANEY
COMMISSIONER TAPE

SUBJECT: REVIEW OF FINANCE FUNCTION

As you are aware the staff is making special reviews of a number of functional areas to determine whether requirements can be reduced or eliminated to save personnel and reduce cost. Attached for your information is a copy of the report on the review of the Finance Function, the first of these studies to be completed.

Your attention is invited particularly to the Introduction and Summary sections (pages 1-5e) in which the conclusions of the Committee are stated and it lists its recommendations. As reprinted here, notes on the management action taken on each recommendation are also shown. Of 30 recommendations made, 20 have been accepted either in whole or in part and six others are being given further study. The recommendations dealt with such matters as (a) eliminating duplication of data being submitted both for budget preparation and program planning purposes; (b) providing more realistic guidance for Field budgeting and keeping Field Offices more completely informed and on a more timely basis regarding actions taken on their budget submissions; (c) reducing the number of separate allotments by consolidating Laboratory allotments and Field Office allotments and calling for the development of a new procedure for handling Headquarters designated contracts; (d) revising reporting requirements to reduce detail and frequency of submissions as well as to eliminate some reports and financial schedules; and (e) an intensive review by Program Divisions to reduce the number of budget and reporting classifications and the number of work projects for which program planning submissions must be separately prepared.

Most of the recommendations accepted will lead to workload reductions in both AEC and contractor organizations, with the greater impact on the latter. Generally speaking the reductions are of a nature which

copy filed

O-M-1

O-M 2-Contractors

O-M 8-

9-29-64

will free staff time of personnel throughout these organizations to be devoted to more productive work and result in a more effective operation. Moreover, the full effect of the changes probably will not be felt for some months. Thus, it is not feasible to estimate specific effects of the actions taken on staffing requirements.

SIGNED, R. E. HOLLINGSWORTH.

General Manager

Attachment:
As stated

Enc: 01 (2)

133

J. P. Anderson, OC
Secretariat (2)

UNITED STATES GOVERNMENT

Memorandum

TO : R. E. Hollingsworth
General Manager

FROM : *J. V. Vinciguerra*
J. V. Vinciguerra, Special
Assistant to General Manager

SUBJECT: REVIEW OF AEC-WIDE FINANCE FUNCTION

DATE: September 16, 1964

OS: DIR: HNE

The Committee appointed by Dwight Ink, AGM to review the Finance, Auditing and Budgeting functions submitted its report to the General Manager's office on June 4, 1964. Since that time the report has been under study by the Controller and his principal assistants, the AGM, the AGMO, the AGMRD, the AGMPP and the Director of Personnel (as well as by a few selected individuals to whom they referred specific matters for comment).

On September 3 I met with those listed above (or their representatives) and the Chairman of the Review Committee. With a few exceptions, which are noted below, agreement was reached on the management action to be taken regarding the recommendations. These are summarized in the attachment which lists each recommendation and the action taken thereon.

Four of the recommendations require further action within the Office of the General Manager: The Controller and the Director of Personnel do not agree on the policy issue involved in recommendation 8a. I am meeting with Dwight Ink and the parties to resolve this issue. While agreement was reached on action to be taken regarding recommendation 1, that recommendation and recommendations 19 and 20 all involve the degree of detailed information submitted by Field Offices to Headquarters. To the extent that Program Divisions' requirements for such detail may be affected by other policy matters now being considered as a result of the August Managers' meeting (particularly the degree of Headquarters control to be exercised in the technical direction of programs), final disposition of these recommendations must be deferred until the more basic decisions have been made. Therefore, these items are being referred to AGMO for further consideration as part of studies now being undertaken as a result of the Managers' meeting.

Three of the recommendations (numbers 22, 23 and 27) were referred back to the Controller for further study with other interested Divisions. Since all of these involve reports, the AGMPP will have the Division of Plans and Reports follow up on these items and report back to me if satisfactory agreements are not reached.



September 16, 1964

The report of the Committee reviewing the finance function had been given only limited distribution pending this review with the Controller and Assistant General Managers and agreement on actions to be taken. By copy of this memorandum it is now being distributed to Managers of Field Offices and all Division Directors. (The copy to be distributed will contain the attachment to this memorandum as a substitute for the summary of recommendations originally submitted, thus incorporating this summary of the management actions that have been taken for information of those receiving copies of the report.)

Attachment:

As stated - *filed in B. P.*

cc: E. J. Bloch, AGMO, w/attach.
S. G. English, AGMRD, w/attach.
G. F. Quim, AGMPP, w/attach.
J. P. Abbadessa, OC, w/attach.
A. L. Tackman, PER, w/attach.
Managers of Field Offices (w/copy Committee report)
Heads of Divisions & Offices, HQ, (w/copy Committee report)

**REPORT OF COMMITTEE
APPOINTED TO
REVIEW WORK REQUIREMENTS
IN FINANCE FUNCTION**

June 1, 1964

**(Revised to Incorporate Management Actions Agreed upon in Meeting
of Controller and Principal AGM's Concerned, September 3, 1964)**

**H. N. Eskildson, Chairman
Freda E. McPherson
Donald C. Sair
James J. Wise**

Handwritten signature

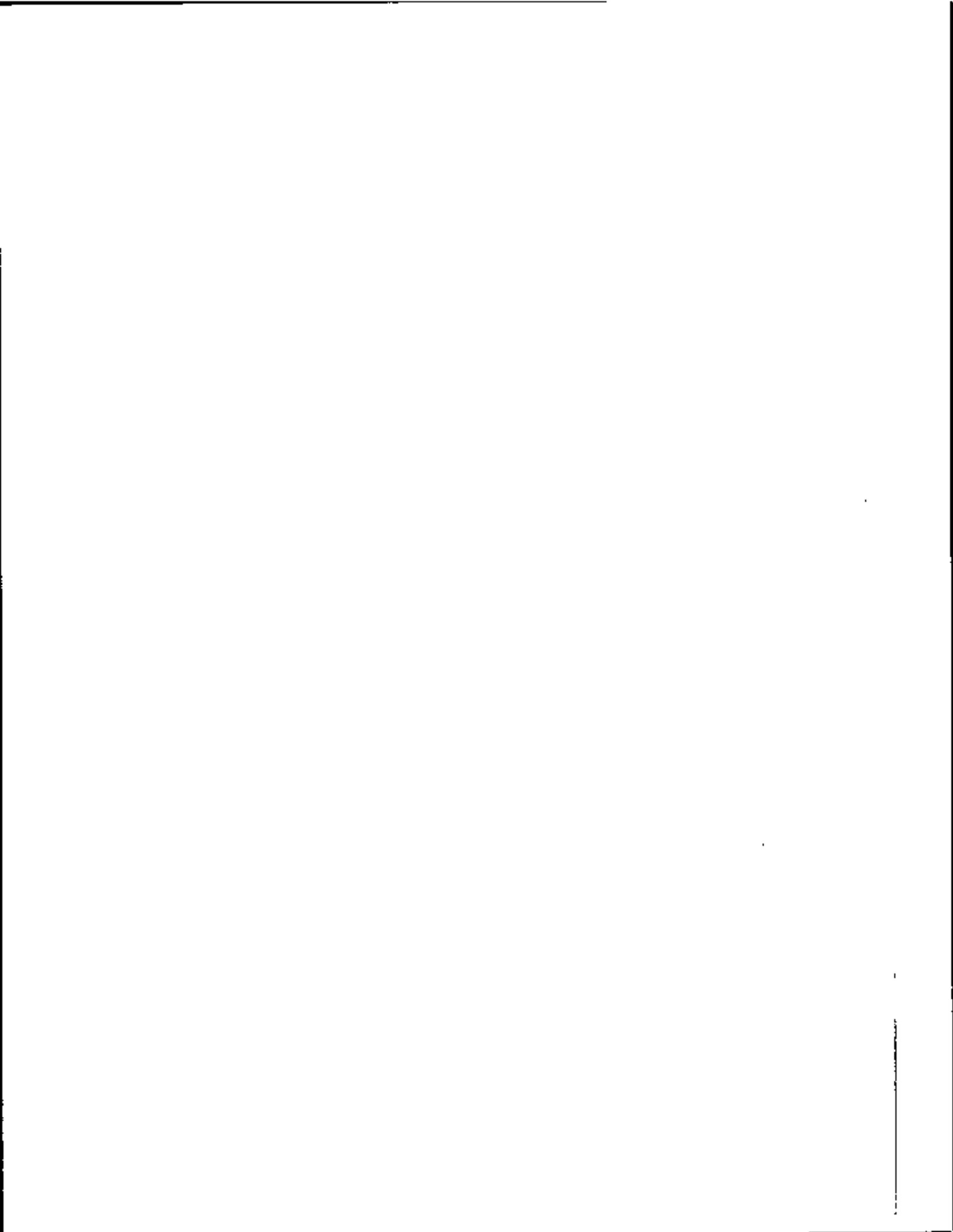
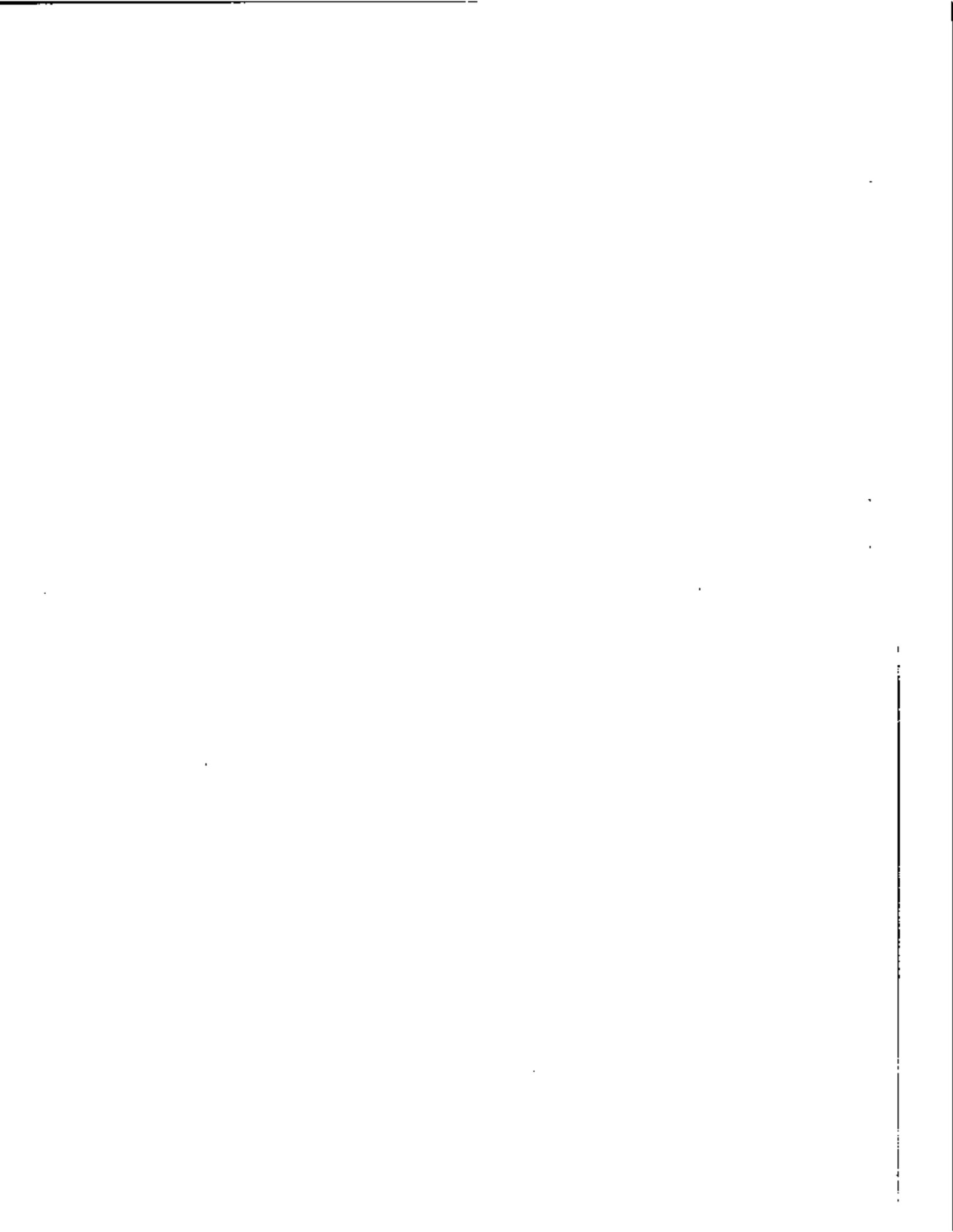


Table of Contents

INTRODUCTION	1
SUMMARY OF RECOMMENDATIONS	3
A. Recommendations Affecting All Financial Functions	6
Budget and Reporting Classifications	6
Organizational Basis for Reviewing Financial System	8
Duplication Potential in Developing PERT-Cost System	8
B. Recommendations on Budgeting	8
Preparation of Operating Cost Estimates	8
Long Range Plans and Budget Assumptions	9
Content of Field Budget Submission	10
Budget Procedures for Test Reactor Operations	14
Preparation of Construction Estimates	15
Material Prepared for Headquarters Review Purposes	16
Administration of Budgetary Controls	17
Multiple Allotments	18
Headquarters Designated Contracts	19
C. Recommendations on Auditing	22
D. Recommendations on Financial Reporting	24
Cost Budget Report	24
Form 343c	25
Plant and Equipment Reports	25
Financial Statements	25
Uniform Laboratory Cost Report	27
Product Cost Reports	28
Annual Motor Vehicle Reports	28
Reactor Project Cost Report	29
Annual Stores Report	30
E. Other Suggestions Being Studied	30
Appendix A: Memorandum Appointing Committee	32
Appendix B: Distribution of Man-Years Assigned to Finance Function	33
Appendix C: Actual Full-Time Employment in Finance Organization Components	34
Appendix D: Operating Expenses--Actual Costs, FY 1955-1964	35
Appendix E: Organization of Study Groups	36
Appendix F: Memorandum Effectuating Recommendation (to eliminate duplication between Form 189 and Schedule 21a)	42
Appendix G: Proposed Construction Budget Procedures	44



REPORT OF COMMITTEE
APPOINTED TO
REVIEW WORK REQUIREMENTS
IN FINANCE FUNCTION

INTRODUCTION

This Committee was appointed (Appendix A) to review AEC's requirements in the Three major financial areas--budgeting, accounting and auditing. The main objective was to determine whether a reduction in procedural requirements could result in devoting fewer man-years to these functions (without appreciably decreasing effectiveness in performance) rather than to conduct staffing studies of organizational units.

In FY 1963, 810 man-years were reported chargeable to all finance functions by all personnel, regardless of organizational unit. This represented the largest single "bloc" of time charged to any major function. To place this review in perspective, however, it should be pointed out that the 810 man-years cited above represent a net decrease both in total volume and in the percentage of total man-years used on these functions since 1957. The following table provides comparative data for selected years from 1957 to 1963:^{1/}

	<u>Estimated Man-years</u>		
	<u>Finance Functions</u>	<u>Total AEC</u>	<u>% of Total</u>
1957 - -	863	6762	12.8
1962 - -	805	6788	11.9
1963 - -	810	7147	11.2

The man-years reported are not confined to the time of personnel assigned to budget and finance organizations. For example, of the 195 man-years reported by Headquarters units, only 132 were located in the Office of the Controller.

While the actual number of personnel assigned to units concerned primarily with finance functions shows an upward trend, the percentage of total AEC employment shows a decrease. Appendix C shows a tabulation of actual full-time employment on March 31 of each year from 1955 through 1964 in the Office of the Controller and in finance organizational components of field offices. Excluding the personnel assigned to non-finance functions (property, supply and records management and ADP) the employment totaled 709 in 1955 and 749 in 1964. In 1955 the 709 represented 11.7% of total AEC employment (5972); in 1964 the 746 represented about 10.5% of the total AEC employment (7144).

^{1/} Data are from Division of Personnel's records on "Functional Distribution of AEC Staffing". See Appendix B for breakdown as of June 30, 1963.

During this same period AEC operating costs increased from \$1.1 billion to \$2.7 billion annually. Moreover, the proportion of research and development programs (Research, BN, ID, etc.)--which require more detailed financial and management controls dealing with smaller units of work--increased from 21% to 37% of the total AEC budget. The costs of these non-production programs quadrupled over the period, increasing from \$234 million to \$998 million.^{2/}

It is also pertinent that AEC's financial system--based on costs rather than obligations--is a pioneer in government fiscal management procedures, following both in spirit and in fact, the recommendations of the Hoover Commission, the Budget and Accounting Act of 1950, as amended, and of the Bureau of the Budget's "Improvement of Financial Management" (Bulletin 57-5). Fundamentally, it is a good system; while it can be reviewed for changes any review must recognize that the basic concepts and basic principles have proven themselves in internal management and have been officially recognized (e.g., the GAO's formal approval of the system).

Thus, while more man-years are devoted to financial functions than to any other single function, the proportion to total staff time has been decreasing and the system itself is recognized as a good one. Moreover, the system has been subjected to both routine reviews (within the Office of the Controller) and special reviews (such as by the Administrative Practices Task Force three years ago).

The procedures employed by the Committee were (1) to obtain (from both Headquarters and field organizational units), specific proposals for changes or suggestions as to areas believed to warrant study; and (2) to submit such suggestions--and the basic questions raised by them--for study by four groups carefully selected to bring to bear program and financial staff capability from both Headquarters and field office perspectives (Appendix E). Detailed reports of each study group underlying this report will be made available to the Office of the Controller to provide further details and background for the recommendations made herein.

The following listing summarizes the recommendations made in this report with page references to the place in the report where the discussion of that subject appears;

^{2/} See Appendix D.

SUMMARY OF RECOMMENDATIONS

(Revised to Incorporate Management Actions Agreed upon in Meeting of Controller and Principal AGM's Concerned, September 3, 1964)

Recommendations Affecting All Financial Functions

1. Conduct an intensive overall review of AEC budget and reporting classifications to determine whether reduction in the total number may be made and the system adapted to recognize that not all accounts established are appropriate for routine reporting requirements and general budget preparation. (Pages 6-7)

Action. AGMRD will require Divisions under him and AGMPP will require the Production Division to review account classifications and specify the minimum number of classifications needed to control programs, after which they will have additional discussions with OC. Further review, if appropriate, will be conducted following completion of related questions raised at August 1964 Field Managers' meeting.

2. Establish the position of Assistant to the Controller with prime responsibility to maintain surveillance over the entire AEC finance system. (Page 8)

Action. The Controller accepts this recommendation.

3. Every effort must be made to minimize duplicate reporting for PERT projects or there will result permanent increase in the financial recording and reporting effort if PERT-COST is later adopted on a widespread and continuing basis.

Action. The Controller assured us that this principle is well understood by those working on the three test projects being placed on PERT-COST systems and that he and the Director of Plans and Reports will work to minimize the necessary period of duplication.

* indicates summary statement of recommendation has been modified for clarification or to separate into separate items where the action taken requires it.

Recommendations Affecting Budget Formulation

4. Improve use of long-range planning procedures as means of establishing budget assumptions. (Page 9)

Action. While there is no disagreement regarding the objectives of the recommendation, it was generally recognized that it is probably unrealistic to assume much more can be done than is already being done in this area. It was agreed that the Assistant Controller for Budgets should discuss informally with the Bureau of the Budget the desirability and need to reduce workload involved in the preview process particularly in view of the questionable benefits which result from this heavy workload. Meanwhile, internally, efforts between the Controller and AGMPP will continue their efforts to optimize schedules for preparation of budgets and long range planning documents.

5. Provide field offices with more current information on decisions affecting budgets in preparation, probable effects on each office of dollar limitations set by BOB, etc., to reduce workload of preparing operating proposals that are not likely to be seriously considered in making final decisions on budget submission. (Page 10)

Action. The Controller has accepted this recommendation and has already started to implement it. (Copies of the "preview" submission to BOB were distributed to Field Offices this year and the submission to BOB was reviewed at the August Managers' meeting.) Further actions of this nature will follow to keep Field Offices better informed. AGM's will emphasize to Program Divisions necessity for keeping Field Managers currently informed of program plans, decisions or thinking which affect a field office program. The Controller emphasized that while he was in favor of giving more information to the Field, it must be recognized that such information was "executive privilege" and that the information must be treated accordingly by both Headquarters and AEC Field personnel to avoid troubles which might otherwise arise from the increased flow of information being sought.

of

6. Elimination/requirements for preparation of budget schedules 21a for research and development programs and activities where proposals are made also on Form 189. Headquarters divisions can use 189's in lieu of 21a's. (Pages 10-11)

Action. As indicated in the report this recommendation was adopted and instructions for preparation of the FY 1966 budget modified accordingly.

7. Eliminate duplication of requirements between Budget Schedule 61 and IAD 0800-3. (Page 11)

Action. A revised BOB Circular A-11 (basis for IAD 0800-3 requirements) has been issued within the past month which will require a revision of the requirements. OC and PER will work together in revising instructions to Field Offices and give consideration to this recommendation in the process.

8. a. Review policy of presenting details of personnel estimates for Program 18 only versus working on basis of total Federal personnel.

Action. The AGM, Controller and Director of Personnel will meet with the GM to resolve the difference of opinion between the latter two on this issue.

- b. If above issue is resolved in manner which does not change present policy, simplify field budget submission requirements (Schedules 61 and 21a) to minimize breakdowns of calculations required in submissions covering personnel in programs other than for program 18 and for total personnel.

Action. The Controller agrees.

9. Revise budgetary procedural requirements to permit submission of estimates on a broader base than under current procedures. (Pages 12-14)

Action. AGMRD will take action to institute reviews by program divisions and field offices looking toward redefinitions of units of work for which Forms 189 are required. For other budgetary submissions, the Controller agreed and present instructions provide that narrative justifications can be consolidated in larger units (e.g. categories) even though dollar estimates are broken down to lower levels (e.g. activities).

(NOTE: Pages 5a through 5e follow this page.)

10. Revise procedure for pricing and budgeting for Test Reactor Operations to permit annually establishing a firm price for irradiation services to be used throughout the year and eliminate complicated procedural steps now followed. (Page 14)

Action. AECM 7505 will be revised and reissued. In addition to improvements already accomplished through IAD 7500-1, the revision will simplify the process for formulation of budget estimates. (RD will work with OC in preparing the revised Manual Chapter)

11. Revise budget time schedule to provide for coordination of proposed construction work with long-term planning, screening of projects, so that data sheets are necessary only for those projects which may eventually receive serious management consideration. (Pages 15-16)

Action. Revised time schedule was partially effectuated for FY 1966 budget submission, as noted in Report (Appendix F). In using newly enacted authorities for advance planning funds, time scale suggested (Appendix G) is acceptable to the Controller with a change in the data sheet submittal date from July 15 to July 1. AGMRD and AGMPP are to re-emphasize to program divisions the necessity for providing Field Offices with early guidance--both positive and negative--regarding construction projects to minimize work preparing submissions for projects that cannot receive serious consideration.

12. Reduce detailed material required for Headquarters Review (August 1 submission from Program Divisions) to tabular presentations of the estimates and restrict narrative to policy issues. (Page 16)

Action. It was not agreed to reduce the August 1 submission to essentially tabular material and narrative restricted to policy issues. The August 1 submissions are, in essence, the basic source documents which provide for the informed reviews by the BRC, GM and Commission in the budgetary process. It was recognized that considerable savings in the amount of detail developed for the BRC, GM and Commission reviews were effected in the FY 1966 budget cycle and that OC will consult with program divisions again looking toward further reductions in future submissions.

Recommendations Affecting Budget Administration

13. Consider consolidation of all field allotments (including personnel, travel, laboratories, transfers) for operating costs into one allotment; rely on financial plans and other administrative controls for avoiding overruns. (Pages 18-19)

Action. By agreement between Controller and AGMRD, separate allotments for Laboratories will be discontinued, effective immediately. However, separate allotments for travel and personal services will be continued.

14. Discontinue separate allotments of funds for travel and other purposes to Headquarters divisions; use administrative controls instead; develop plan for central control of these costs. (Page 19)

Action. This recommendation was not accepted.

15. Develop revised procedure for Headquarters-designated contracts as follows:
- a. use fixed price for all up to \$500,000;
 - b. cost all under \$1 million on basis of payments; and
 - c. develop system of eliminating transfer allotments for HQ-designated contracts. (Pages 19-22)

Action. AGMRD and Controller agreed to develop a single system for handling HQ-designated contracts which will minimize number of allotments required (sub-part c). No change will be made regarding use of fixed price contracts above \$250,000 (a) or costing on basis of payments (b).

Auditing

16. Eliminate audit of budget forecasting.
17. Managers should take greater advantage of flexibility allowed them under AEC-1201 to vary the term of the audit cycle. (Page 22)

Action. The Controller will send a memorandum to Managers of Field Offices on both of these points.

18. Develop plan for centralizing AEC audit function. (Pages 23-24)

Action. After some discussion this recommendation was rejected. It was the Controller's view that centralization per se would not save manpower. It was argued that centralization would probably not be more effective for the verification audit functions which constitute more than half of the workload. While it was recognized that centralized direction could be more effective for the other types of audit, it was concluded that many of these benefits are being realized through the AEC-wide audits (e.g. first class air travel, cost analyses in negotiated contracts) and these audits are to be continued.

Financial Reporting

19. Reduce submissions of Cost-Budget Report by eliminating July and August Reports, requiring detailed reports quarterly and only summary for other seven months; with the exception of the Laboratories eliminate requirement for separate reports from each major contractor. (Page 24)
20. Eliminate requirement for Form 343c (Page 25).

Action. The Controller reported that he is revising financial reporting to top management. Since there were differences of opinion among those present on the need for all of the detail, it was decided to incorporate this subject into the studies resulting from the August Managers' meeting.

21. For Report on Plan and Equipment Changes in Progress, reduce frequency of submission of detailed information on specific projects. (Page 25)

Action. This recommendation was accepted. OC will issue implementing changes in instructions.

22. For Report on Capital Equipment not Related to Construction, accumulate data at category level rather than activity level, reduce frequency of individual contractors reports from monthly to quarterly. (Pages 25-26)

Action. After discussion, the Controller agreed to give further consideration to this recommendation.

23. Reduce frequency of the Summary Cost Report and Estimates (which includes detailed progress data on specific components of work) and restrict requirement for this report only to projects in which situation calls for such detailed review. (Page 26)

Action. Discussion revealed a difference of opinion over degree of detail and frequency needed but no disagreement over current list of selected projects for which this report is required. OC and COMS are to review this matter further, consulting with program divisions who use the report in the process.

24. Review requirements for supporting schedules for year-end financial statements to eliminate schedules not absolutely necessary. (Pages 26-27)

Action. The Controller reported that requirement for 13 schedules had been eliminated for reports as of 6/30/64. OC will continue to review each year.

25. Discontinue separate printings of the annual financial report both in a separate document and in the Annual Report to Congress. (Page 27)

Action. Agreement has been reached between OC and Division of Plans and Reports to reduce to summary date the information to be included in the Annual Report to Congress.

26. Discontinue the Uniform Laboratory Cost Report. (Page 27)

Action. Controller and AGMRD agree this report can be discontinued.

27. Review requirements for Product Cost Reports to reduce detail and frequency. (Page 28)

Action. The Controller agreed to review the need for detail now required.

28. Following completion of GSA's current review of motor vehicle reports, review and reconsider AEC's requirements for internal motor vehicle reports. (Pages 28-29)

Action. The Controller accepts this recommendation.

29. Discontinue Reactor Project Cost Reports for all reactor projects except power reactors. (Page 29)

Action. OC and AGMRD agreed to this recommendation.

30. Discontinue Annual Stores Report. (Page 30)

Action. This recommendation was rejected but OC will review its format with a view to simplification and will take steps to issue it more timely.

A. Recommendations
Affecting All Financial Functions

Three subjects on which recommendations are made influence all normal functions in the financial area; other recommendations will be covered under the specific headings of Budgeting, Auditing or Financial Reporting to which they apply.

Budgeting and Reporting Classifications

The number of account classifications affects workload in budget preparation, fiscal control, accounting and financial reporting throughout both Headquarters and field offices and in contractor organizations. There are now over 1700 classifications in use for budgeting and reporting purposes:

<u>No.</u>	<u>Program Title</u>	<u>No. of Classifications^{3/}</u>
02	Special Nuclear Materials	140
03	Weapons	125
04	Reactor Development	962
05	Physical Research	85
06	Biology and Medicine	16
07	Training, Educ. & Infor.	51
17	Community Operations	45
18	Program Direction & Adm.	37
53	All Other Revenue	55
Various	All Other	207
	Total	1,723

The Task Force on Administrative Practices in 1961 strongly recommended that efforts be made to reduce the number of accounts. Since then, however, the number has further increased.^{4/}

^{3/} Includes some changes in 02 and 07 programs to become effective 7/1/64.

^{4/} According to records of the Task Force, there were over 1650 classifications in effect at that time. However, the data shown appear to indicate that totals were counted as separate classifications for the RD program (at least) and a figure comparable to the total in the tabulation above would be closer to 1500.

Whether some 1700 account classifications are actually "too many" is a complicated question affecting the entire system. Many of the "complaints" against the number of classifications, when discussed, appear to be aimed more at practices which require routine reporting and budgeting submissions to be broken down in accordance with the complete, detailed breakdown of accounts. Thus, the Reporting Study Group, in commenting on the number of classifications stated:

"It is quite obvious to the subgroup that, although the AEC is organized on a decentralized basis, the extent of detail (financial, budgetary and operating data) flowing from the field to Headquarters is such that economics normally inherent in a decentralized operation are not realized due to duplication of effort by Headquarters and the field offices."

The Budget Study Group recognized the same point in recommending:

"that each of the respective Headquarters program divisions review once again the current procedure of presenting budgets for each applicable budget and reporting classification and determine if a reduction in the number of activities could be effected and more effective presentations developed by submitting estimates on a broader base."

Some of the specific recommendations in the budgeting and reporting areas (which follow) reflect the point of view that detailed accounts may be needed at field levels but that broader groupings may be more appropriate in sending budgets and reports forward. (Detailed requirements have a "balloon" effect on workload since each echelon tends to require further detail for its own use to have information available in case information to higher levels leads to questions.)

Recognizing that new programs as well as legitimate pressures, both internal and external, have contributed to the number of accounts, nevertheless, the system and the manner in which it is used may have gone beyond reasonable needs for good management. The Committee recommends, as did the Administrative Task Force in 1961, that a special review be conducted of the entire list of accounts to determine whether reduction in the total number can be made. In doing so, particular attention also should be directed toward adapting the system (e.g. programs, sub-programs, categories, activities) so that budgets, accounting reports, etc., need not be submitted in the detail of the complete system of accounts. The system should recognize that some detailed accounts, appropriately established to collect data needed for periodic analyses of particular questions, are not appropriate units for general budget preparation and reporting requirements.

Organizational Basis for Reviewing Financial Systems

The frequency of special reviews directed toward finance functions in recent years is partially inherent in the function itself. As a function, it is all pervading, affects everyone's activities, everyone has his "pet peeves", and, as with the weather, does not hesitate to express them.

While this is true, the Committee notes that in the Office of the Controller, separate units (or individuals) responsible for systems and procedures each report to the Assistant Controllers for the specific function. There is no one, other than the Controller himself, who is removed from the day-to-day operation, who is reviewing the systems in an overall sense, and analyzing their effects on workload, contribution to overall effectiveness, etc. Obviously, the Controller himself cannot devote the time needed to perform this function because of many other requirements for his attention. The Committee recommends that the Controller consider the appointment of an Assistant to the Controller who could perform this function on a continuing basis. It is important that such an individual have a strong background in "systems" and be left free from day-to-day crises. The systems which require the devotion of over 800 man-years to their fulfillment are of sufficient importance to justify a full man-year devoted to reviewing and analyzing them for opportunities to improve them and make them more effective.

Duplication Potential in Developing PERT-COST System

It is possible for financial reporting to change drastically within the next few years through broader application of new project control techniques (such as PERT-COST). During the initial trial period of PERT-COST, there probably will be a tendency to accumulate more data than actually required. Also, because the new systems are "on trial", so to speak, the tendency will be to impose them in addition to (rather than in lieu of) existing reporting requirements.

Every effort must be made to minimize duplicate reporting for PERT projects or there will result permanent increase in the financial recording and reporting effort if PERT-COST is later adopted on a widespread and continuing basis.

B. Recommendations On Budgeting

Preparation of Operating Cost Estimates

Over several years it has become increasingly apparent that much of the effort devoted to meeting requirements in the budget formulation process-- particularly at field office and contractor levels--subsequently proves

somewhat futile.^{5/} The principal reasons for this are (1) so many changes in programmatic decisions (which cannot be incorporated in field submissions for practical reasons) take place while budgets are being prepared that some of the field submission is obsolete before it is reviewed by Headquarters, and (2) preparation of some detailed material which essentially duplicates other material submitted that is adequate for the purposes needed.

Long-range plans and Budget Assumptions: With a budget cycle extending over such a long time period, some "lost motion" is both inevitable and desirable (from the point of view of providing alternate choices to program directors). However, when poor communications regarding decisions already reached or failure to face realities in establishing program assumptions result in preparing quantities of detailed data that receive little or no consideration in the decision making process, it is sheer waste. From discussions with both field office and Headquarters personnel during this review, it appears that further improvement must be sought in these areas. This requires, both from program divisions and the Office of the Controller: (1) more effort devoted to using the long-range planning procedure (including the reviews by BoB) as a means of making program assumptions more realistic, and (2) better liaison during the entire process of budget formulation, so that decisions reached on arbitrary dollar ceilings, programs deferred, materially cut back or eliminated, etc., can be reflected at once in work in process to prepare field estimates.

The lack of realistic budget assumptions early enough to permit field offices and contractors to prepare budgets based upon them has been a perennial complaint. Recommendations from the Administrative Practices Task Force late in 1961 have resulted in improvements in this area but more attention is needed--particularly in prompt translation of decisions made on a broad basis in the long-range planning process into meaningful terms for each field office or laboratory affected thereby.

The logical time for updating the long-range plans is promptly after the major decisions are made determining the AEC's portion of the President's Budget to the Congress (November-December) and prior to preparing the

^{5/} Last year's experience was particularly trying for all concerned because of events obviously beyond the control of AEC (such as the major decisions on production cutbacks and the unexpected change of Administration, etc.). In the discussion which follows, the Committee has tried to separate the "FY 1965 budget frustrations" caused by these external factors from the legitimate complaints that bear on our internal procedures and ways of working. This has been difficult since the "external" disruptions undoubtedly aggravated dissatisfactions regarding these "internal" matters.

program assumptions (January-February) for the following budget formulation cycle.

The Budget Study Group reviewed the schedule for development and updating of long-range plans as related to preparation of program assumptions. While the current time schedule is not the best--and is not wholly within AEC's control because of BoB requirements--there are steps which might permit reflecting more of the decisions reached as the process proceeds in the field budget submissions, even though preparation of the latter begins before final actions on the former.

The Budget Study Group stressed the desirability of increasing field participation in the development and updating of long-range plans and program assumptions, thus providing immediate knowledge and background to field participants on decisions reached which can be reflected in field office planning and budget preparation. (The manner and extent of such participation is a matter for determination by each of the Headquarters program divisions and may vary widely.) The most important factor is prompt knowledge of decisions being made which affect the budget under preparation.

One item most required to facilitate field offices and laboratories to do better planning (both for incorporation in their long-range plan assistance and for the ensuing budget cycle), is prompt advice on actions affecting their most recent budget submission. Current practice, as reflected by last year's experience, sometimes leaves field offices "in the dark" as to actions taken and decisions made (both within AEC and by BoB). From June (when the field offices submitted their budgets) until sometime in January (when they received copies of the AEC submission to Congress) field units had only piecemeal knowledge of actions taken on the program and budget they had proposed. Under such conditions, their own planning and guidance to contractors is materially weakened. Present practices deny important segments of the AEC "family" of guidance vitally needed to intelligently plan and direct their work. Results of Headquarters' action on the field submission, as reflected in the AEC budget submission to the Bureau of the Budget, and (recognizing the problem of information "leaks" on the President's budget) prompt distribution of BoB action thereon (to selected parties at least), both as they affect the particular office, is essential. The Committee recommends that it be provided, hereafter.

Content of Field Budget Submission: Efforts in recent years to streamline and reduce the workload required in formulation of field budgets have been substantial and have resulted in considerable reductions. However, the Budget Study Group found that, for those programs which utilize the form 189 submission (such as programs 04, 05, and 06) for basic planning purposes, (1) the justifications and related estimates on the forms 189 are more than sufficient for the program divisions' use;

and (2) the programmatic justification data required on schedule 21a, in effect, duplicate the 189 data and are of little or no value. Thus, the schedule 21a justification material can be eliminated for these programs in budget submissions from field offices, laboratories and other contractors.^{6/}

A similar situation exists with respect to the budgeting for AEC direct personnel. Schedule 61 requires narrative justifications for changes proposed for each organizational unit in the structure of the Office or Division submitting the budget. Similar justification also must be submitted to the Director of Organization and Personnel under directives issued by that Division covering submission of man-year and workload factors. However, this duplication is not the only complication in budgeting for AEC personnel.

The conversion from number of people to dollars by detailed items of cost (i.e., direct salaries, overtime, holiday pay, terminal leave payments, etc.) is accomplished on Schedule 61 which must be prepared separately for each program in which personnel are classified (e.g. Program 18, 02, 03, 04, etc.). This could be done only once for all personnel and then the total dollars allocated to the various programs. Similar observations apply to certain requirements for data related to personnel costs on Schedule 21. Here the total costs of direct AEC personnel (personal services, travel, retirement, FICA, insurance, payments to compensation funds, incentive awards, etc.) must be computed in detail for all programs even though only the Program 18 data is eventually submitted to Headquarters. To break down such data by separate programs, when the logical manner of

^{6/} This recommendation was discussed informally with the Office of the Controller and program divisions involved and placed into effect immediately, thus eliminating the duplication in current preparation of the FY 1966 budget (see Appendix F). The total number of pages of 21a's in last year's budget submissions affected by the programs to which the revised procedure is applicable are:

Process development portion of Special Nuclear Materials Program	109
Production portion (except for process development) of the Weapons Program for Oak Ridge Operations Office, Richland Operations Office and Savannah River Operations Office	40
Reactor Development Program	1035
Physical Research Program	369
Biology and Medicine Program	266
Isotopes Development Program	34
Total	<hr/> 1853

preparing such estimates is on a total basis for each major organizational unit, creates an unproductive workload in which the resulting data by program is either arbitrary or unrealistic and serves no purpose.

Though the detailed information has been built up program by program in the budget submissions within AEC, historically these data have been detailed in the Congressional submission program write-ups only for Program 18 with the estimates for personnel and related costs in other programs simply being "buried" in the other program estimates. To modify the system as implied above, would mean submitting to the Congress information on total Federal personnel and on total costs related to the Federal employees, showing the detailed buildup of the estimates, with only an allocation of total dollars being shown for the various programs. However, the limitations on personal services and travel as now passed on to AEC also are in terms of such overall totals while the limitation on Program 18 is on the total Program 18 dollars, rather than on detailed items within Program 18. The change, therefore, would not appear to affect our relations with Congress on these sensitive items.

Whether the advantages of the present system (which add up principally to dealing with Congress only on Program 18 personnel rather than on total AEC personnel) are worth the added effort is questionable. (In this regard, the recent confusion which arose in dealing with the BoB on the President's letter regarding the 1% cut is a case in point.) The Committee suggests that the Director of Personnel, the Controller and the General Manager review this subject from a policy point of view. A decision to present personnel and related cost estimates to Congress on a total basis only, with allocations of the total dollars to the programs, would result in simplification of both the budget preparation process and the process of administering the personnel ceilings, etc.

Further reduction in the sheer volume of material submitted by field offices and laboratories can be made--particularly if the number of Budget and Reporting classifications can be reduced. However, even if no changes are made, there is another area in which the Committee recommends that further reductions in volume be intensively pursued. Current budget procedures require separate budget estimates and justification for each budget and reporting classification where requirements are known or anticipated. The fact that it may be desirable to have detailed breakdowns of actual costs incurred available (both for analysis and study and as a basis for future planning) does not necessitate that estimated costs for budget presentation purposes need always be submitted for each and every such detailed account. In some areas considerable reduction in workload might be realized in the budget formulation and review processes if budget estimates, starting with field submissions, were presented on a broader base. For example, there are over 30 activities in the feed materials category

of program 02 covering each of the various processing steps in the production of fuel elements, shown separately for normal and slightly enriched. Even if the number of cost classifications is not changed (as suggested earlier), consideration might be given to presenting budget estimates primarily in terms of end products.^{7/} This would eliminate detailed statistical and narrative justification data for each of the individual steps from field office and AEC budget submissions (although the basic data would still be available in contractor records when needed), but would not prevent direct comparisons of budget estimates to costs incurred at the appropriate levels of management.

In research and development programs consolidation is also believed feasible. There were approximately 2,500 individual forms 189 submitted in support of the FY 1965 budget estimates. The preparation of each form 189 (which vary from a few pages to many pages each) involves a significant effort on the part of the scientific and/or technical personnel, plus review and coordination by higher echelons of the contractor or laboratory management, and by field office staffs (not to mention extensive use of stenographic, clerical and reproduction personnel involved). Moreover, for some programs, both preliminary and final 189's are forwarded to program divisions.^{8/} Workload reductions should be possible in two directions:

1. Requirements vary between programs but, generally speaking each contractor is now required to prepare at least one form 189 for each budget and reporting classification in which he proposes to do research and development work. In many cases, separate 189's are prepared for several "tasks" within a single budget and reporting classification. The Budget Study Group had discussions with administrative and technical personnel of AEC field and Headquarters offices, of one major contractor and of one laboratory. All indicated that it should be possible to reduce the number of forms 189, required by a searching review of the necessity for such a minute breakdown of tasks and consolidation of requests for and descriptions of related work into larger units.
2. It is recommended also that program divisions, together with contractors, laboratories and the field, reappraise their requirements

^{7/} This approach has already been adopted for the Weapons Program; the suggestion is to extend its use to other programs to which it is adaptable.

^{8/} The volume and weight of copies and related processing, mailing, filing, etc., is staggering: a single copy of each of the forms 189 received would create a pile of papers several feet high--higher than desktop level.

for the volume of data and the degree of detail now required on the forms 189. In some cases, for example, there is significant duplication of data on past progress, (material already available in monthly status and progress reports or in technical reports) for which pertinent references should be sufficient since the program experts reviewing the 189's are generally the same people requiring the reports and to whom the reports are submitted.

Budget Procedures for Test Reactor Operations: Frequent complaints concerning the system of budgeting and costing for irradiation services have centered on the price variations experienced and the time and effort required to make budget and financial plan adjustments. (AEC Manual Chapter 7505; the draft appendix, outlining the detailed procedures, has not been finalized since originally issued for interim use and comment in October 1961.) Despite recent changes (IAD No. 7500-1 dated September 9, 1963) field offices again raised the question as part of this review.

The most frequently proposed suggestion for changing the procedures has been to budget and cost test reactor operations on a facility basis, a procedure used for many years and unquestionably the simplest means of merely financing the operation of the reactors. However, this is an unsatisfactory solution overall since it fails to achieve the basic objective of a cost-based system; namely, to obtain more responsible management decisions on the research and development projects by including all costs attributable to the R&D as charges to the project.

The Committee believes the system now in use is still unnecessarily complicated. The changes made by IAD 7500-1, eliminated the major causes of the wide price fluctuations previously experienced (abnormal downtime and failure of an experimenter to use space when scheduled). With these eliminated, it should be possible for ID, based on historical operating and cost experience, to forecast a realistic price before field offices begin preparation of budgets (i.e. in December or January), make no further changes in the price during the year and charge (or credit) any variances to the account established by IAD 7500-1 for this purpose. If this were done, the budgeting and accounting procedures currently in effect could be simplified by eliminating the "back and forth" paper work between Idaho and the using Office or Laboratory (affecting both offices' proposed budgets or existing financial plans) throughout the year. The Committee recommends that these changes be made.

(Experience with these estimates provides an example of experience which argues for preparing estimates in broader segments (see discussion immediately preceding this section). Experience data show that in only 14 activities in FY 1961 and 13 activities in 1962 were actual costs incurred for irradiation services within 100% of the budget estimate. More accurate projections of irradiation units required (the basic unit affecting the

calculation of the standard price as well as the basis for the annual contractual commitments for GETR usage) can be achieved only by a system permitting responsible management to adjust such unreliable estimates for small units of work within much broader categories (i.e. at higher than the "activity" level). A Laboratory Director, for example, knows that if, say, 20 projects predict irradiation costs in a budget submission covering a period 3 years hence, some portion of them will not need the services at all, some will fall behind schedule, etc., but he cannot predict which ones. A system of detailing estimates at relatively low levels (e.g. activity level or, in some cases even lower on Form 189) for cost purposes, must provide opportunity to apply a "tempering" experience factor (either at the program level or, even, at the overall Laboratory level) to provide more accurate projections of space and reactor time required. To improve these forecasts, the system should not tie Field Offices and Laboratories to using the sum of irradiation units projected for each individual activity when projecting their total irradiation unit requirements.)

Preparation of Construction Estimates

As in the case of the operating budget, construction budgeting also reflects a wide discrepancy between initial submissions and what is finally approved. Recent experience is that less than one-half of the proposed construction projects for which data sheets were submitted by the field offices have been supported by the Headquarters program divisions in their recommendations to the General Manager. For example, for the FY 1964 construction program only 115 of the 245 projects submitted by the field received program division support; the final authorization approved by Congress included only 58 projects. In FY 1965 the field submitted construction projects estimated at \$795.8 million and the amount included in the budget before Congress totaled \$180.2 million.

Much of the effort and related cost associated with preparing estimates and justifications for a construction project may begin several years before the project is included in a formal budget submission. Therefore, steps must be taken early in the development of long-range plans, prior to expenditure of substantial funds, to identify at least those projects to which priority attention should be given and those on which efforts should be dropped or deferred for policy reasons.

To provide the basis for a more orderly planning and scheduling of construction projects, the preparation of data, and to reduce the present workload on both the AEC and contractors, the Budget Study Group has recommended

that the attached proposed construction budget procedure be adopted (Appendix G).^{9/}

The adoption of the proposed procedure also places more emphasis on continued liaison between the Headquarters, field, and laboratory staffs. It will permit, during the overall budget cycle, re-evaluation of projects which may or may not be formally included in the final budget which the AEC submits to the Bureau of the Budget and eventually to the Congress. Its aim, in part, is to minimize the amount of work on any project, whether it be research and development, conceptual design, the preparation of detailed data sheets or backup material or Title I work until there is some assurance that any given project may eventually receive serious enough management consideration to warrant the preparation work required.

Material Prepared for Headquarters Review Purposes

Current procedures require each program division to furnish to the Controller a complete program budget submission, as recommended by the Division, by August 1 each year. These are compiled into an overall budget document and distributed to members of the Budget Review Committee and to principal staff in the Office of the Controller and program divisions for use in the review by the Office of the Controller and discussions with the BRC. Following action by the BRC, the General Manager and the Commission, much of this material must be revised and completely redone for the "run-off" of the AEC submission to the BoB, although some of it is useable.

Based on discussions with Headquarters staff and some members of the Budget Review Committee, this Committee recommends a thorough review of requirements for this submission. This review should be directed toward minimizing the volume of material submitted that will have to be redone for the BoB submission by relying primarily on tabular submissions with narrative material restricted almost entirely to identification of policy issues and the arguments, pro and con, affecting them. (In discussing this report in draft form with the Controller and his principal staff, it was learned that a review of this subject is now being made. The specific recommendation of this Committee was discussed with them but is not repeated here since it was clear the Controller's review of the subject would cover various means of accomplishing the principal objectives mentioned above.)

^{9/} The years shown on the attachment, FY 1965--FY 1967, are for illustration only; the Study Group is showing what it proposes should happen over a repetitive 3-year cycle once we have the pending legislation rather than what might have happened in preparations, to date, for either the FY 1965 or FY 1966 budgets.

Administration of Budgetary Controls

Since questions regarding use of the allotment system versus other means of administrative control are central to this topic, certain basic principles are briefly reviewed at this point. An amendment to the Anti-deficiency Act approved on August 1, 1956, included the following:

"SEC. 3. Section 3679 (g), Revised Statutes, as amended (31 U.S.C. 665 (g)), is further amended by adding at the end thereof the following sentence: 'In order to have a simplified system for the administrative subdivision of appropriations or funds, each agency shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative subdivision for each appropriation or fund affecting such unit'.^{10/}

Bureau of the Budget Bulletin No. 57-5, dated October 10, 1956, transmitted a financial management guide for agencies which contained the following observations concerning this amendment:

"To conform to Public Law 863, allotments of funds should be made at the highest practicable level, consistent with the requirements of agency management for control of obligations, and any limitations on the use of funds imposed by the executive and legislative branches. Accounting processes other than allotments should be employed to develop necessary operating or management data through use of cost classifications."^{11/}

The Amendment and BoB's guidance are based on a recognition that in shifting to cost (rather than expenditure) accounting and budgeting, as is encouraged by the Budget and Accounting Act, care must be exercised to avoid simply putting a new system on top of the old and continuing all of the old controls while also adding new ones. In total, AEC's allotment system has avoided this "trap" and our system is far less complicated than that of most other agencies. In certain limited areas, however, the allotment system is still being used in a manner that does not appear to fully recognize the principles quoted above and which causes additional workload.

^{10/} P.L. 863-84th Congress: Chapter 814 - 2nd Session. Underscoring added.

^{11/} "Improvement of Financial Management in the Federal Government", Bureau of the Budget, October 1956--page 11.

Under AEC's cost-budget system, control can be exercised either through financial plan limitations or allotments. Allotments are subject to the Antideficiency Act; the financial plan controls are not. Within AEC, however, financial plan limitations can be made just as binding and violations thereof can be treated just as seriously as Management would treat a violation of that Act.

Each time a separate allotment is issued, additional accounts must be established to permit accumulation of data by "fund accounts", separate and apart from the "cost accounts" which also must be maintained for financial plan and cost reporting procedures.

Multiple Allotments: Under present legislation, AEC receives one appropriation for operating costs and one for plant acquisition and construction. The operating appropriation contains only two limitations, one on the amount to be used for official entertainment and the other on Confidential funds. Several years ago, Congress removed from AEC's appropriations the statutory limitations on personal services and travel. However, due in part to oral understandings and agreements with Congressional Committee and BoB staff and, in part, to other reasons, AEC continues to allot funds not only by organization and location, but also by numerous special purposes for which the funds may be used. Under the present system a field office may receive as many as seven or eight separate allotments from the Controller compared with three or four required solely on the statutory requirement. In addition a field office may receive from various Headquarters Divisions any number of separate allotments resulting from current procedures for handling Headquarters designated contracts. At Headquarters, the Controller issues about 20 allotments to those divisions having responsibilities for administration of particular program items plus approximately 50 separate allotments (one to each Division or Office) for travel. (As far as the Committee could determine, Managers of Operations do not usually reallocate travel funds to their organizational units, but rely on administrative controls.)

The present workload connected with issuing separate allotments and the added accounting, reporting and auditing resulting therefrom, could be reduced if AEC relied on administrative controls wherever possible. The following recommendations are all possible under the statutory policy and BoB guidance cited earlier:

- a. Consolidate travel and personal services allotments with the "all other" allotments to each field office.
- b. Consolidate the Laboratory allotment with the principal allotment to those Offices handling funds for Multi-program

Laboratories.^{12/}

- c. Eliminate the separate allotment of travel funds to each Office and Division in Headquarters.
- d. Develop a revised system for handling HQ designated contracts which will utilize financial plan and cost controls to the maximum and restrict transfer allotments to a minimum.

Headquarters Designated Contracts: Two of the Study Groups reviewed the problems involved in budgeting and accounting for what are commonly referred to as Headquarters-Designated contracts." These contracts are primarily with education or not-for-profit institutions (but also with some off-site commercial organizations) and involve principally, the Headquarters Divisions of Biology and Medicine, Research, Reactor Development, Isotopes Development, Technical Information, and Nuclear Education and Training. Generally speaking, the Headquarters divisions receive a separate allotment from the Controller to cover that part of their program represented by these contracts. As proposals are approved by the Headquarters Divisions, individual Contract Authorization Forms and Transfer Allotments are issued to the Operations Office which is to place or review the contract. (In some cases, a single Transfer Allotment may be issued to cover several contract authorizations.) Reactor Development does not follow this system but includes estimated amounts to cover such contracts in the Controller's regular allotment and financial plan issued to the various field offices. Its issuance of a Contract Authorization Form releases the use of such funds to effect the action.

12/ The use of separate allotments for the Laboratories resulted from the objective to place direct responsibility on the Laboratories to live within their allocated financial amounts. Achievement of this objective, however, depends not on separate allotments but on issuance of separate financial plans. There is nothing which prevents a single allotment to the Field Manager being supported by two financial plans so long as this is clearly understood by reference to the three documents. Cost reports, etc., thus would continue to be made up separately for the Laboratories as under the present system. Aside from the general advantages of reducing the number of allotments, one of the Laboratories, LRL, formally expressed opposition to the current system in its comments on a proposed draft of ARC-1301. It is reported also that the system has proven cumbersome in the area of SAN procurement on behalf of LRL programs and also in the case of AL support for LASL.

Both methods have certain drawbacks--the Headquarters Transfer Allotments method from the standpoint that field offices must maintain allotment records on a large number of small allotments and the field financial plan method from the standpoint that program divisions and field offices encounter some difficulties in estimating "Goods and Services on Order" at the end of the fiscal year.

The largest numbers of these contracts are placed through the New York and Chicago offices; however almost all offices are involved to some extent with this type of contract.

Two principal problems with these contracts were posed:

1. Is accrual accounting necessary for such contracts in view of the common lack of accrual accounting systems among the institutional contractors involved, the admitted lack of usefulness of cost data in administering this type of contract, and the small impact on overall program costs?
2. Can the internal procedures of Headquarters Transfer Allotments be simplified to eliminate the additional accounting and reporting involved?

The number and dollar value of various types of r&d contracts by several classes are indicated below:

	<u>No.</u>	<u>Millions of Dollars</u>
Fixed price contracts -		
(All less than \$250,000 each)		
With universities	932	\$28
Other	113	4
Cost-type contracts with universities -		
Less than \$250,000	49)	20
\$250,000 to \$1,000,000	34)	
Cost-type contracts other than those at universities -		
Less than \$250,000	223)	33
\$250,000 to \$1,000,000	49)	
Over \$1,000,000	14	27
Totals.....	1,414	112

The costing of fixed price contracts now presents no problem; as an arbitrary and general rule they are simply costed upon execution in the total amount obligated (in the case of universities) or, as payments are made

(for non-university contractors). Thus, the costing problem being encountered could be simplified by extending the use of fixed price contracting to the maximum extent possible. The Committee recommends the following to simplify the costing of these contracts:

1. Extend as much as possible the use of fixed price contracts to all contracts under \$250,000 and consider allowing the use of fixed price contracts for cases up to \$500,000, where the type of work permits.
2. Unless the contractor's normal system of accounting provides accrued costs, cost all cost-type H-D contracts under \$1,000,000 on the basis of payments, during the first 10 or 11 months of the year and then accrue estimated remaining costs at that time.
3. Continue to require accrual accounting for all cost-type contracts in excess of \$1,000,000.

With respect to the second problem, that of simplifying procedures and minimizing use of Transfer Allotments for H-D contractors, the study groups and field offices generally favor eliminating the use of Transfer Allotments and handling these contracts in some other fashion.

The Committee recognizes that using the Transfer Allotment is convenient as a control device for the program divisions. The contracts involved are numerous, are subject to change from year to year in both subject matter and amount. The present system permits the program division the flexibility of adjusting the amount of funds between offices and contracts rapidly and with a minimum of effort by the program division. However, from the field office point of view, the system multiplies the number of allotments to an unreasonable degree, thus involving increased fund accounting and reporting workloads. Using the allotment procedure in such a manner is one of the things to which the BoB has taken specific objection:

"The lack of such cost classifications in the traditional accounting system in Government in many cases had led to use of a complex allotment structure that was developed primarily to satisfy a management need for operating information as opposed to being used solely for the intended purpose of controlling available funds. This provision in Public Law 863 is intended to focus agency attention on existing allotment practices and to stimulate improvement action."^{13/}

^{13/} "Improvement of Financial Management in the Federal Government" (Attachment to BoB Bulletin 57-5, October 1956), page 11.

A review of this problem with personnel of the program divisions having the largest numbers of such contracts (Research and Biology and Medicine) leads us to believe that the system can be modified without loss of control and with no real hardship in adjusting funds. The control over use of funds can be maintained (as is done by Reactor Development) by designating in the field offices' financial plan that portion of a particular program ceiling that is to be used solely to carry out contract authorizations issued by the program division. The initial financial plan estimate could be adjusted quarterly or even more often, if necessary, reserving use of Transfer Allotments for unique situations rather than using it routinely. The Committee recommends that the Controller's Office, working with the Program Divisions which use Transfer Allotments and representatives of Field Offices which administer the largest numbers of these contracts, devise a common system to be used by all divisions that will substantially reduce or eliminate use of Transfer Allotments for this purpose.

C. Recommendations on Auditing

In response to the Committee's request for suggested audit areas to be investigated in this study, the following suggestions were received:

- (1) that formal audit requirements be limited to financial transactions and reliance placed on appraisal program for non-financial functions,
- (2) that the frequency of the audit cycle might be further reduced, and
- (3) that the possible "layering" of audit staff should be reviewed.

After considering the above items, the Audit Study Group concluded that no significant overall manpower savings could be realized by restricting audits to financial transactions, since very little duplication now appears to exist between audits and appraisals. Moreover, elimination of functional audits of systems (e.g. procurement) would result in an increase in the "transaction audits" required. The only audit function that could be entirely eliminated is that of "Budget Forecasting," which represents only a small amount of audit manpower.

As to a reduction in the frequency of the audit cycle, the study group, after a review of AECM Chapter 1201 and the Audit Handbook, concluded that the audit policies currently provide field office managers with adequate authority to vary the frequency of audits but, apparently, not all offices are making full use of the authority they have in this area.

The Audit Study Group considered the possible "layering" of audit staff resulting from the present organization of field office audit staff, Headquarters regional audit staff and Headquarters-based audit staff. Suggestions had been made that the regional audit staff might be eliminated. The Study Group considered several alternatives including:

- a. Eliminating the regional staffs and permitting the field office audit staffs to audit field office activities as was done prior to 1956.

With respect to this alternative, the Group concluded:

"although this proposal might result in saving a very small amount of time, its advantages do not outweigh its disadvantages, and, therefore, we do not believe that this proposal should be adopted."

- b. Eliminating regional staff and auditing field offices directly from Headquarters on a team basis.

After discussing the pros and cons of this suggestion, the Study Group's conclusion was as follows:

"The Study Group does not believe that this proposal would save appreciable manpower and would probably raise total costs."

- c. Centralizing all auditing under AEC Headquarters.

After listing the advantages and disadvantages of this proposal, the Study Group reached the following conclusion:

"The Study Group did not consider in detail the organizational structure a centralized audit staff would take. It assumed that Headquarters directed auditors would be distributed geographically in an arrangement of maximum effectiveness and least travel cost.

"It is the Group consensus that, after a two or three year transition period, a centralized audit organization could provide the same coverage as the present setup, with some economies in staffing. On balance, however, the Study Group believes the possible savings of a centralized audit are outweighed by its disadvantages. We consider the major disadvantages would be the loss in responsiveness to local management requirements."

The Committee does not fully concur with the Study Group's conclusions on the centralization of audit under AEC Headquarters. It believes that a more effective overall audit could be accomplished with some savings in total audit manpower on a centralized or quasi-centralized basis. The Committee recommends that the Controller develop a specific plan for

centralized auditing. When such a plan is completed it should be circulated to field managers for review and comment and the final decision regarding this subject made as a result of such a review.

D. Recommendations on Financial Reporting

Due to the recent intensive analysis of financial reporting completed by the Administrative Practice Task Force in 1961, the Reports Study Group decided it was not necessary to review the usage and need for specific detail in all instances with the recipients of each report. However, it did discuss usage and need with recipients of reports having wide-spread use.

The conclusion reached is that, for the most part, the financial reports required by Headquarters for internal use are needed and that the type and number of reports are not excessive, considering the complexity and size of AEC operations. However, the frequency and extent of detail of some reports could be curtailed without having an adverse effect upon the control of operations. Recommendations on specific reports follow.

Cost-Budget Report

Both summary and detailed versions of this report are prepared. It is used primarily in Headquarters since field offices generally rely on other contractor reports for administration of contractor operations. The summaries are submitted by teletype on the 12th working day, the detailed reports mailed by the 14th and both are consolidated at Headquarters.

The Finance Reporting Group, based on its evaluation of Headquarters use, timeliness of reporting (consolidated data not available to Headquarters until about the 24th or 27th of the month for the preceding month's summary and detail data, respectively), recommended that only the summary data be furnished on a monthly basis and that the detail be furnished on a quarterly basis.

The Committee concurs but also believes the requirement for reports for July and August could be eliminated. Cost data for these periods usually is confused by the fact AEC is operating on a continuing resolution; operations, therefore, are subject to the restrictions of the resolution and, thus, the comparisons are practically useless and some recipients of the report have confirmed it is not used. Moreover, this is the period of peak workload in field finance offices (preparation of year-end reports, financial statements, accumulation of prior year data for budget submissions to BoB, etc.). Therefore, the Committee recommends the frequency of the report be for 10 months only, beginning in September, the detailed report being submitted only at the end of each quarter and summaries only being submitted for the other months.

Under current requirements, a consolidated report is required from each field office and also a separate cost-budget report in identical detail for each major contractor. The Committee believes this is excessive reporting and, except for the multi-program Laboratories, should not be required. Therefore, it recommends that the field be relieved of the requirement for detailed reports for each major contractor other than the six Laboratories.

Form 343c

Related to the cost-budget report is the Form 343c, "Monthly Distributions of Operating Costs". The purpose of this submission--made by field offices and Laboratories each time a new or amended financial plan is received--is to establish monthly projections of costs to accomplish the financial plan against which actual costs can be compared for each of the activities and sub-activities included in the Plan. Two of the Study Groups (Financial Reporting and Fiscal Control) determined that apparently, most field offices, Laboratories, and Divisions do not use the information submitted on this form for the comparison of actual costs to estimated costs as was intended. Field Offices, Laboratories, and contractors use personnel ceilings, organizational budgets, procurement, commitment registers, or other tools of this kind to compare their cost incurred pattern and evaluate actual costs to estimates. Divisions at Headquarters rely primarily on statistical data reflecting experience in previous years. The Controller's quarterly report to the Commission on financial progress uses percentage indicators also based on prior years experience rather than projections submitted on the 343c. The Committee concurs in the recommendation of both Study Groups that the requirement for submitting the 343c projections after receipt of each financial plan change be eliminated.

Plant and Equipment Reports

The Financial Report Group determined in its study that changes could be made in frequency and in the detailed information required in some of the plant and equipment reports. It recommends:

- "1. The Report on Plant and Equipment Changes in Progress be prepared and submitted in the same form and frequency except that the frequency of submission of information regarding closings of projects to completed plant, projects started and completed, and proof of totals reconciling to other reports (now submitted quarterly) be changed to annually at June 30.
- "2. The Report on Capital Equipment Not Related to Construction be reviewed after the report has been in effect for a year with a view to obtaining (a) the financial plan and obligation data

on a monthly basis for program control purposes at the category level (03, Weapons; 04, Reactor Development, etc.) only rather than at the activity and subactivity level of the budget and reporting classifications (AEC Appendix 1101, Part II, Section 35), and (b) the individual reports of contractors on a quarterly basis at the category level rather than monthly at the activity or subactivity level.

"3. The requirements for the Summary Cost Report and Estimate and the Report on Equipment Held for Future Use remain unchanged.

"4. Detailed Cost Report and Estimate and the Final Cost Report and Estimate which are prepared and used by the field (report content is not prescribed by Headquarters) be continued."

The Committee concurs in general in these recommendations but also suggests that the submission to Headquarters of the Summary Cost Report and Estimate (which provides breakdowns for individual projects by components of work--concrete, specific buildings, etc.) may not be necessary more frequently than semi-annually or, at most, quarterly. Overall progress (both physical and financial) is reported monthly for each project on the "Report on Plant and Equipment Changes in Progress" and less frequent submission of the detailed breakdown appears indicated. Also, since it is required only for selected projects, a review of the list of projects for which it is required should be made frequently to determine the continued usefulness of obtaining such detailed data. As a particular project proceeds the need for such a report might be lessened. For those projects placed on PERT or other network systems, where network data is reported to Headquarters, it would appear that the requirement for this report be eliminated entirely, once the PERT system has been tested and installed, since it will largely duplicate the network data.

Financial Statements

The Financial Reporting Study Group noted that each Operations Office must prepare at year-end:

"as many as 62 schedules, some by location and type, which amount to as many as 200 pages of data which support the year-end financial statements. Some of this year-end data is statistical in nature. The Committee judges that only a minor portion of this detail finds its way into the printed annual report of the Controller. The Study Group also noted

that for field offices alone approximately 13 man-years of effort are devoted to the preparation of year-end financial statements.^{14/}

We concur in the Study Group's recommendation that the Controller continue to review the requirements to eliminate all schedules and backup data not absolutely required for the preparation of the year-end financial report. For example, the Committee notes that detailed analyses of balance sheet accounts are required among the year-end financial statements and that a large amount of audit effort also is spent in verifying the accuracy of the same accounts. In view of questions raised by contractor and field personnel, further review by the Controller might produce means by which some of this effort could be reduced without sacrificing the necessary accuracy of the year-end reports.

Each year the Controller publishes a printed annual financial report containing many pages of financial statements and statistics on various programs complete with pictures and graphics. The same report is published in the AEC annual Report to Congress (See 1963 Annual Report, Appendix 11, pp. 447-481). The Committee recommends that one or the other versions of this printed report be discontinued and understands the Controller is already taking steps toward this end.

Uniform Laboratory Cost Report

This report is required to be submitted three times a year, as of November 30, March 31 and June 30. The requirement for the report was established by the Controller in 1954 to fulfill the need for comparative cost information from the National Laboratories.

The Financial Reporting Group states that the report was intended to provide cost information by element or types of expense, e.g., salaries and wages, materials and supplies, etc., but that each laboratory was informally permitted to pattern the report to fit its own situation. Therefore, the reports vary in form and content because of differences in laboratory organizational structure, accounting systems and administrative practices. Apparently report usage is largely limited to extraction of salary and wage data in those instances where shown. The need for the report is questionable in view of other AEC reporting requirements, particularly if separate "Cost Budget Reports" are obtained from the Laboratory (see discussion under that heading, above). Accordingly, we recommend this report be discontinued.

^{14/} We have been advised that a modification of the requirements is in the process of being issued which reduces the number to 50, effective 7/1/64.

Product Cost Reports

The production sites furnish to Headquarters monthly production cost reports prepared by their operating contractors. These consist primarily of Inventory and Manufacturing Statements for each process and product. These are very detailed reports and require a large volume of figures to be generated each month. The Committee questions the need for such detailed submissions to Headquarters on a regular monthly basis.

In discussing this with the Controller's staff it was found that these are used to prepare quarterly reports on unit cost of products for AEC top management--from Program Divisions to the Commissioners and for special studies upon request from time to time. The AEC office at one of the three sites prepares a summary report consisting of a few pages in which the unit costs are summarized for each product and comments are furnished as to pertinent occurrences that affected the unit costs. Such a summary might be sufficient much of the time with details submitted on a less frequent basis.

The Committee recommends that the Controller consider the following questions with respect to Inventory and Manufacturing Statements currently required from each production site:

- a. Should Headquarters continue to require complete details on production costs as presently furnished from the sites, or should product cost summaries be substituted for the detailed reports. This substitution would require that the Controller's staff specify the minimum cost breakdown that would be included in such summary for each product.
- b. If it is determined that the Inventory and Manufacturing Statements are essential, can the volume of the Inventory and Manufacturing Statements be reduced and still meet the Headquarters needs?
- c. If the Controller's unit product cost analyses are prepared quarterly, can the Inventory and Manufacturing Statements submissions be reduced to a quarterly requirement?

Annual Motor Vehicle Reports

The annual motor vehicle data furnished by field offices are primarily for use in furnishing GSA with data on operations of AEC's motor vehicle fleet. However, as a byproduct of data furnished, AEC prepares an overall report on its own vehicle operations.

The AEC report is a good management tool on motor vehicle operations. It presents comparative data between field offices on fleet operations, and is distributed to the field as a guide for fleet management. However, we believe, based on the Financial Reporting Group study, that this lengthy report of 19 pages could be significantly reduced and still serve its purpose.

The Study Group recommended that (1) all pictorial items be deleted, (2) the pages 3, 17, and 19 contained in the FY 1963 report be retained and (3) the segments of the statistical data on pages 9 through 16 which are of most importance to the field be reproduced via the multilith process (eliminating printing by GPO). The group also noted that, although comparisons of cost and performance data of offices have value in that they provide a means to stimulate interest in performance and a competitive atmosphere, the development of targets or standards for each office against which actual performance could be compared would also provide a useful and meaningful analysis of performance.

However, interagency discussions and studies with GSA on data it requires on agency motor vehicle operations have led to GSA's adoption of less detailed requirements to be effective for FY 1965. To continue the AEC report would require that additional data would have to be requested from the field. When GSA releases its final version of revised requirements, the entire format of the report should be reviewed and planned so as to keep field submissions to a minimum consistent with good fleet management.

Reactor Project Cost Report

This report, consisting of two schedules quarterly and a third semi-annually, is prepared by field offices and furnishes both financial and statistical data, for about 30 reactor projects. Reports are currently required on all Power Demonstration Reactor Program projects, other AEC-owned power reactors and experimental reactor projects.

The Financial Reporting Group found that the reports, especially those on power reactors, serve as a source document for many purposes such as quarterly public information press releases on civilian reactors, annual financial reports, annual reports to the Congress, 202 Hearings among others. It was their evaluation that the major use of the reports were related primarily to the power reactors and that reports on experimental reactor projects had relatively little use. On this basis, they recommended that consideration be given to retaining reports pertaining only to PDRP projects and other AEC-owned power reactors (numbering about 15 reactor projects) and eliminate reporting on reactor projects other than power reactors. (This recommendation is not intended to affect the continued reporting on non-AEC power reactors for purposes of completeness and comparison.)

Annual Stores Report

This report is prepared as a byproduct of data submitted by field offices for the year-end financial statements and covers stores inventory, excess personal property and equipment held for future use. The report is not required by GSA.

The Financial Reporting Group was advised by the Property Management Branch, Office of the Controller, that this report, which is transmitted to field offices, is the principal means of advising them and their contractors of (1) areas needing improvement and corrective action that should be taken, (2) offices and contractors use the report to compare their rate of progress with other field offices and contractors, thereby stimulating improved performance in a competitive spirit, and (3) the report is a valuable reference for property management activities.

The Financial Reporting Group's evaluation of this report, consisting of 27 pages for FY 1963 of graphs, bars, charts and statistics, questioned its value. Lack of similarity between offices or contractors, unique needs and programmatic requirements of each office or contractor makes comparisons of report data meaningless or at least most difficult without expert analysis and interpretation. Such services might be better provided through the appraisal or by establishing standards or targets against which field management can compare its own performance. Moreover, any effectiveness the report may have, is lessened by its late issuance (e.g. the report for FY 1962 was issued in February 1963; the report for FY 1963 was issued in December 1963).

It is recommended that the preparation and issuance of the report be discontinued.

E. Other Suggestions Being Studied

Among suggestions received from field offices and Headquarters divisions were the following which the Committee did not attempt to study but has referred to others for consideration and action:

1. Use of Automatic Data Processing: Suggestions calling for increased use or modification of present requirements for ADP "decks", etc., were considered beyond this Committee's capability. They were referred to the Office of the Controller.
2. Classification of Financial Documents: Suggestions to reduce classification requirements have been reviewed by the Division of Classification. Although it has concluded the classification criteria will not permit a general down-grading of currently classifiable financial

data, this Committee intends to suggest to the Controller that additional studies be made, in conjunction with Classification and Security, of financial forms currently in use to determine whether form revisions, use of standard prices or other techniques can be devised to reduce the number of classified financial documents, particularly the substantial numbers of forms involving specific transactions (e.g. Form AEC 325 "Transfer Vouchers").

3. Direct AEC Procurement: When AEC procures material or equipment directly which is later to be furnished to a contractor, the AEC workload is increased not only for payment vouchers, etc., which presumably is offset by reduction in the contractors workload but there is a net increase in workload (to prepare transfer vouchers, etc.). Suggestions to modify contracting policies to reduce direct AEC procurement (e.g. when other segments of an AEC contractor wish to bid on a procurement) were referred to the Division of Contracts.
4. Differences Between AEC and FPR Cost Principles: A suggestion to permit managers to use FPR cost principles on procurements below a specified level (which would permit use of audits and other administrative determinations made by other agencies and thus reduce AEC audit and administrative effort) was referred to the Division of Contracts.
5. Greater integration of Financial and SS Material: Suggestions to permit pricing out of monthly SNM Forms transfer reports as a basis for financial records (thus eliminating separate financial records on each individual SNM transaction) and means of eliminating the current requirement for two separate documents (one for material quantities only and the other on financial data only) were referred to the Office of the Controller.

UNITED STATES GOVERNMENT Appendix A

Memorandum

TO : Heads of Divisions and Offices, HQ
Managers of Field Offices

FROM : *Dwight Ink*
Dwight A. Ink
Assistant General Manager

SUBJECT: STUDY OF AEC-WIDE FINANCE FUNCTION

DATE: January 27, 1964

In implementation of the objectives of the President's recent memoranda on economy in the Government, the Office of the General Manager has requested that several studies of functional requirements and related staffing be made.

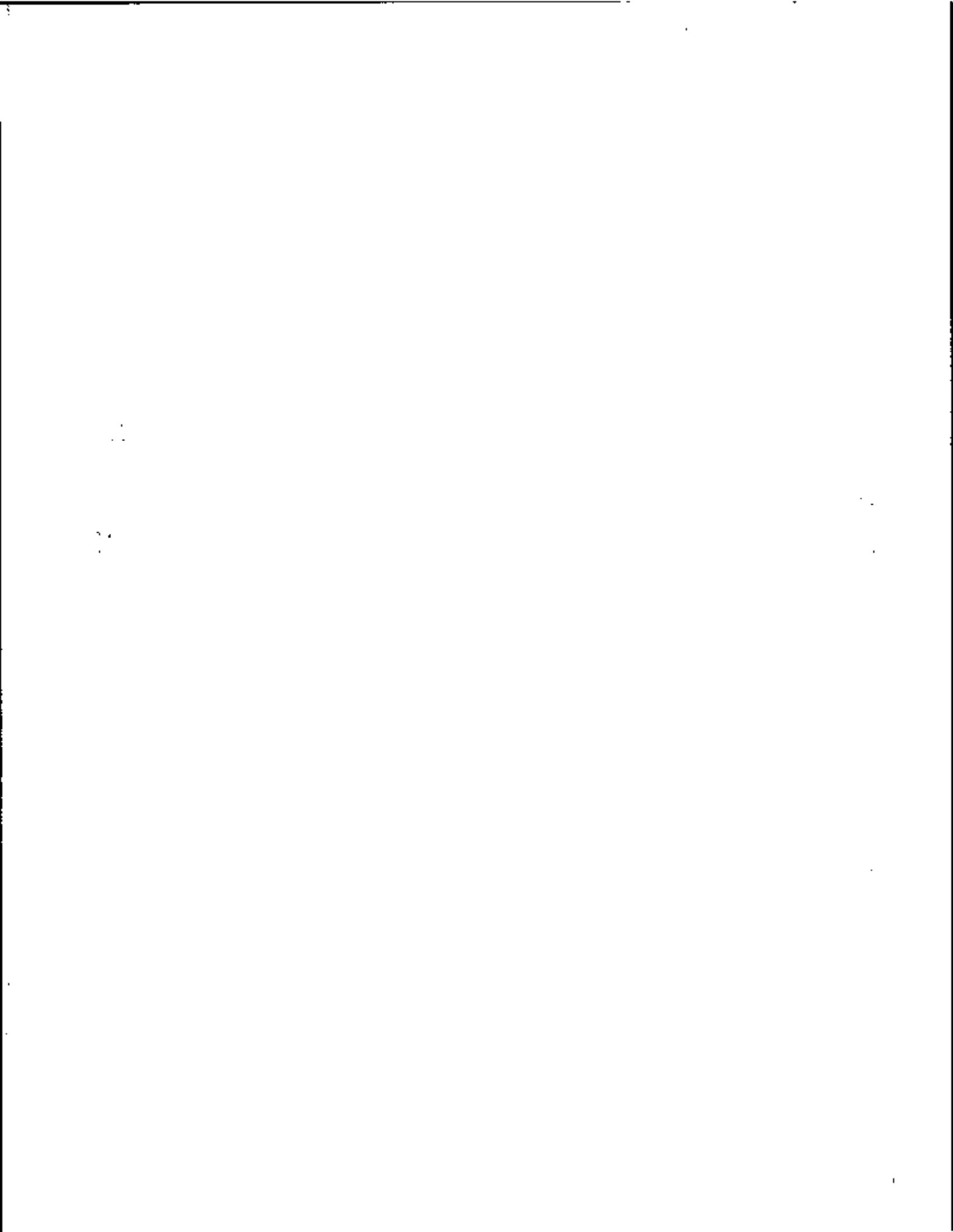
Several detailed reviews of selected agency-wide functional areas will be undertaken. The purpose of these reviews will be to develop proposals for increasing effectiveness in use of AEC staff by reduction in procedural requirements and less essential activities. The first review, being initiated immediately by the Office of the Controller and the Division of Personnel, will cover the three major finance functional areas of accounting, budgeting, and auditing.

The following committee has been appointed to conduct the review:

Hugo N. Eskildson, Division of Operational Safety, HQ, Chairman
Donald C. Sair, Office of the Controller, HQ
James J. Wise, Savannah River Operations Office
Freda E. McPherson, O & M staff, Division of Personnel, HQ

During the course of the review the committee will collect and analyze information concerning the finance functions being performed by the various divisions and offices both at Headquarters and in field offices. Your cooperation in this project will be appreciated.



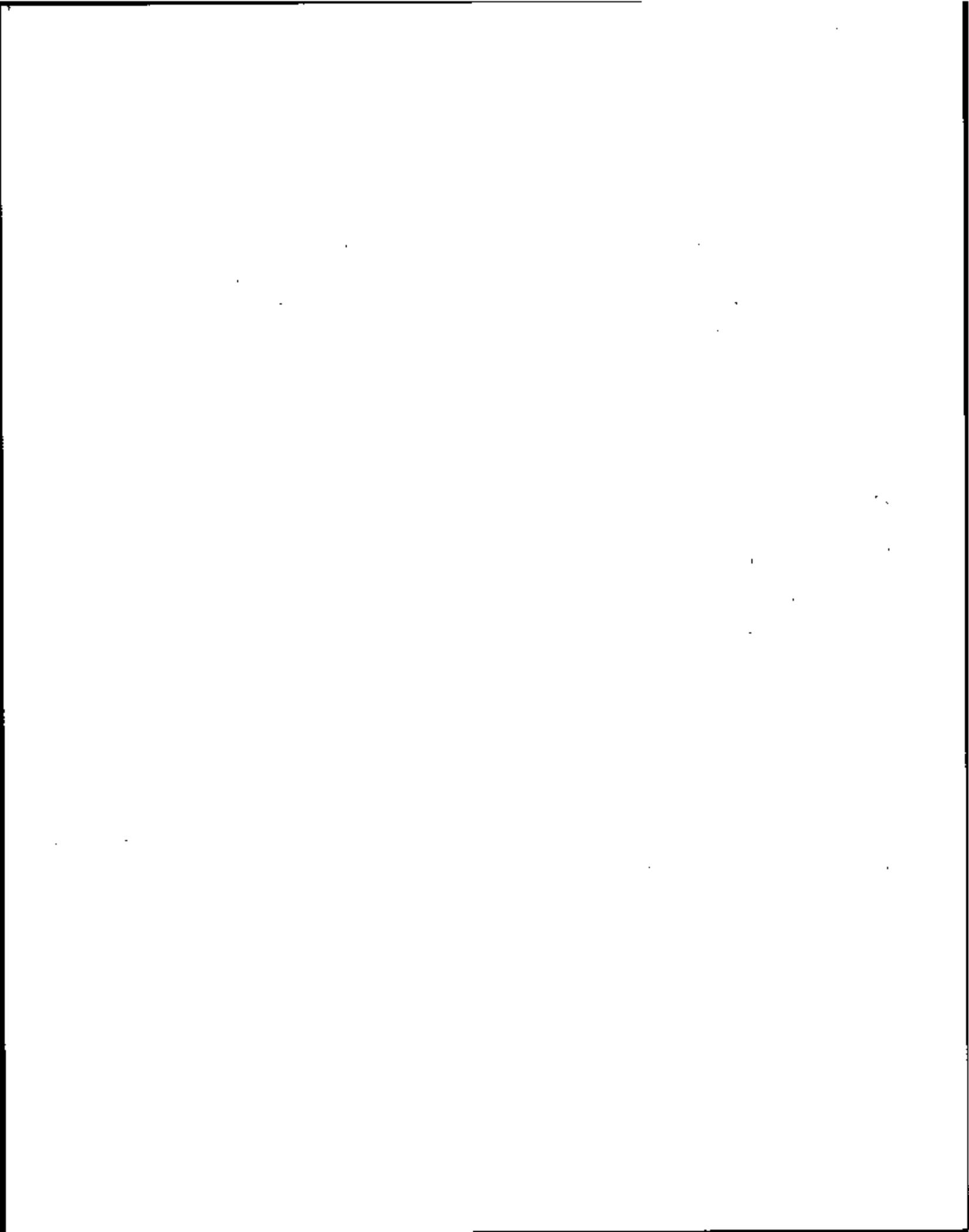


Appendix B

DISTRIBUTION OF MAN-YEARS ASSIGNED TO FINANCE FUNCTION
(Based on Functional Inventory as of June 30, 1963)

<u>Field Office</u>	<u>Total*</u>	<u>Code 821 Accounting</u>	<u>Code 822 Auditing</u>	<u>Code 823 Budgeting</u>
Albuquerque	123.45	55.50	36.85	31.10
Brookhaven	4.35	2.95	1.00	.40
Chicago	46.45	22.55	13.60	10.10
Grand Junction	28.80	12.30	12.80	3.70
Idaho	32.75	14.95	9.50	8.20
Nevada	35.00	17.05	9.65	7.85
New York	47.18	24.80	14.05	8.25
Oak Ridge	133.42	60.15	42.15	31.00
Pittsburgh	21.69	8.20	9.94	3.55
Richland	40.90	20.30	10.80	8.85
San Francisco	32.93	13.71	14.00	5.10
Savannah River	39.00	18.40	13.30	7.20
Schenectady	16.00	6.93	5.43	3.63
SNPO-C	4.00	1.60	.80	1.60
SNPO-N	<u>2.00</u>	<u>.80</u>	<u>.40</u>	<u>.80</u>
Field Total	607.92	280.19	194.27	131.33
Headquarters	<u>201.72</u>	<u>74.59</u>	<u>30.80</u>	<u>89.97</u>
Grand Total AEC	<u>809.64</u>	<u>354.78</u>	<u>225.07</u>	<u>221.30</u>

* Where totals exceed breakdown, offices reported some man-hours under other functional codes (e.g. insurance function) which were not covered by this study.



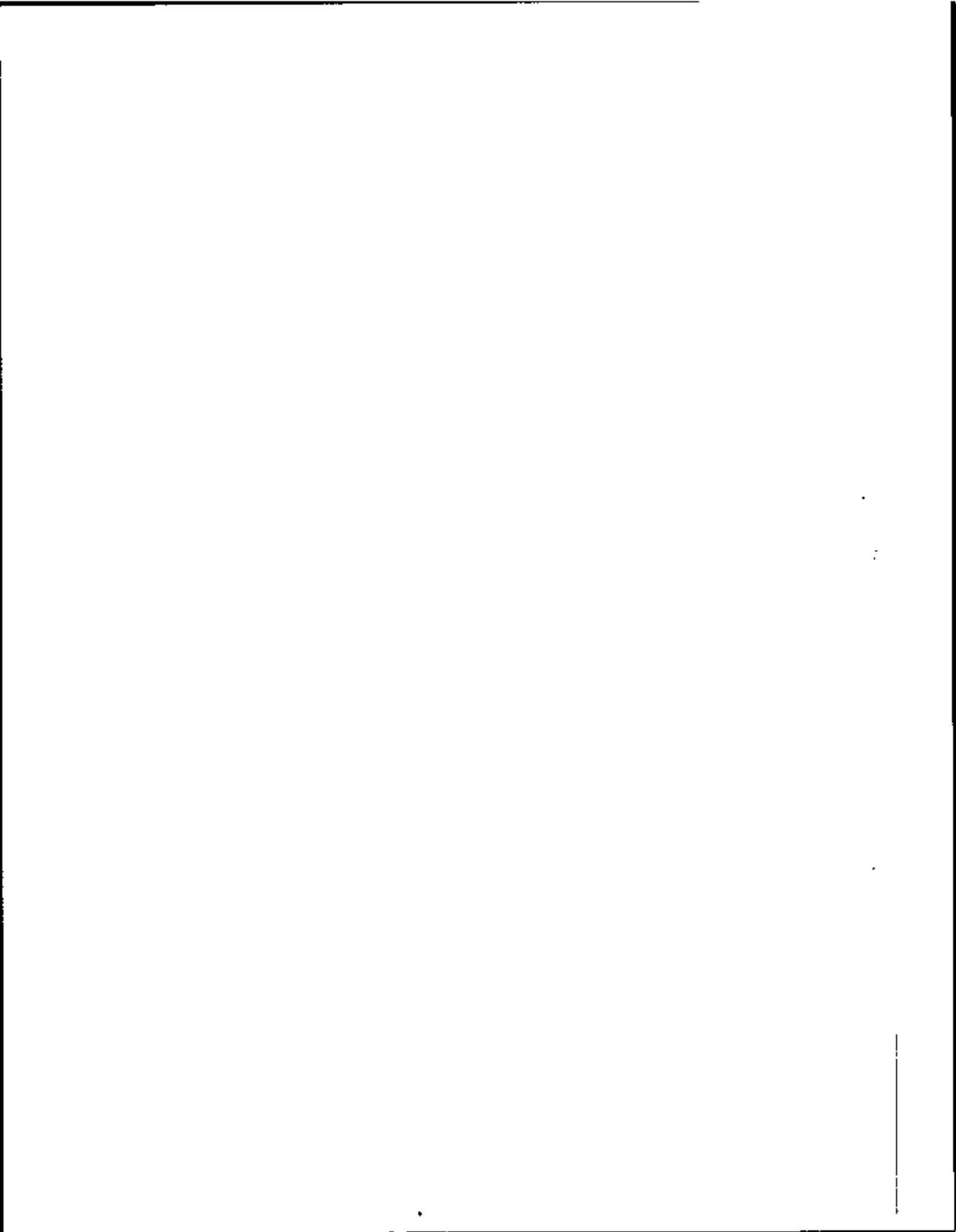
Appendix C

ACTUAL FULL-TIME EMPLOYMENT IN FINANCE ORGANIZATIONAL COMPONENTS

As of March 31 (Summary)

<u>ORG-</u>	<u>1964</u>	<u>1963</u>	<u>1962</u>	<u>1961</u>	<u>1960</u>	<u>1959</u>	<u>1958</u>	<u>1957</u>	<u>1956</u>	<u>1955</u>
HQ - Off. of Controller *....	136	125	141	138	133	138	136	140	124	121
Albuquerque Oper. Office	115	115	128	130	122	128	129	131	129	130
Brookhaven Office	11	10	8	9	8	8	7	9	6	6
Chicago Oper. Office	51	47	49	48	48	47	54	49	45	40
Grand Junction Office	30	29	30	33	34	36	36	37	36	32
Idaho Oper. Office	31	31	32	30	28	24	25	24	18	22
Lockland Airo. Reactors Office	--	--	--	19	18	13	7	6	6	6
Nevada Oper. Office	37	33	--	--	--	--	--	--	--	--
New York Oper. Office	46	42	44	41	39	35	35	35	34	31
Oak Ridge Oper. Office	126	126	132	137	138	148	151	150	158	166
Pittsburgh Naval Reactors Office	23	21	16	18	18	18	12	10	7	8
Richland Oper. Office	47	46	48	47	47	46	47	51	52	55
San Francisco Oper. Office ..	35	35	33	30	24	27	26	28	25	27
Savannah River Op. Office ...	39	39	44	43	43	46	48	51	53	48
Schenectady Naval Reactors Office	17	15	18	18	17	17	20	18	17	17
WFO-C	3	3	--	--	--	--	--	--	--	--
WFO-N	2	2	--	--	--	--	--	--	--	--
Total	749	719	723	741	717	731	733	739	710	709

* Employment in Records Management, Property and Supply Management, and AEP excluded, 34 for 1964, 33 for 1963, and 16 for 1962.



Appendix D

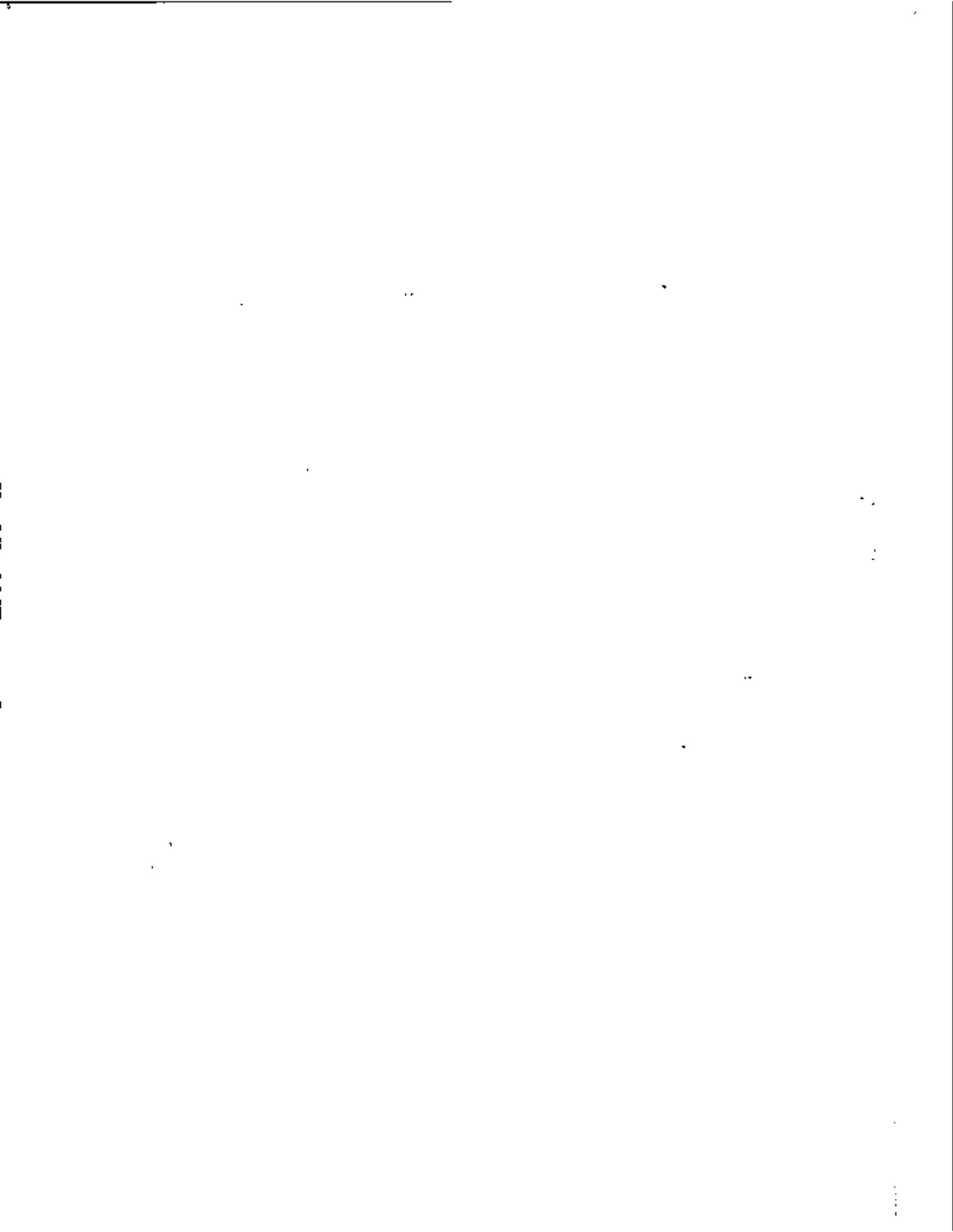
OPERATING EXPENSES - ACTUAL COSTS - FY 1955-FY 1964
(In Thousands)

	<u>Production Program</u>	<u>Other</u>	<u>Total</u>
FY 1955	865,081	234,212	1,099,293
FY 1956	1,091,541	321,689	1,413,230
FY 1957	1,302,724	436,021	1,738,745
FY 1958	1,599,518	530,101	2,129,619
FY 1959	1,731,694	597,501	2,329,195
FY 1960	1,768,841	671,012	2,439,853
FY 1961	1,712,632	745,596	2,458,228
FY 1962	1,779,348	780,742	2,560,090
FY 1963	1,698,848	885,535	2,584,383
FY 1964	1,696,129	998,083	2,694,212

Note: Amounts for all years include capital equipment not related to construction. FY 1964 figure is estimate.

Source: Actual columns of President's Budget - Equipment Costs from 43's

Budget Operations Branch
4/28/64



UNITED STATES GOVERNMENT

Appendix E

Memorandum

TO : Those Listed Below

DATE: February 26, 1964

FROM : Hugo N. Eskildson, Chairman
Finance Review Committee

SUBJECT: REVIEW OF FINANCE FUNCTIONS

OS:DIR:HNE

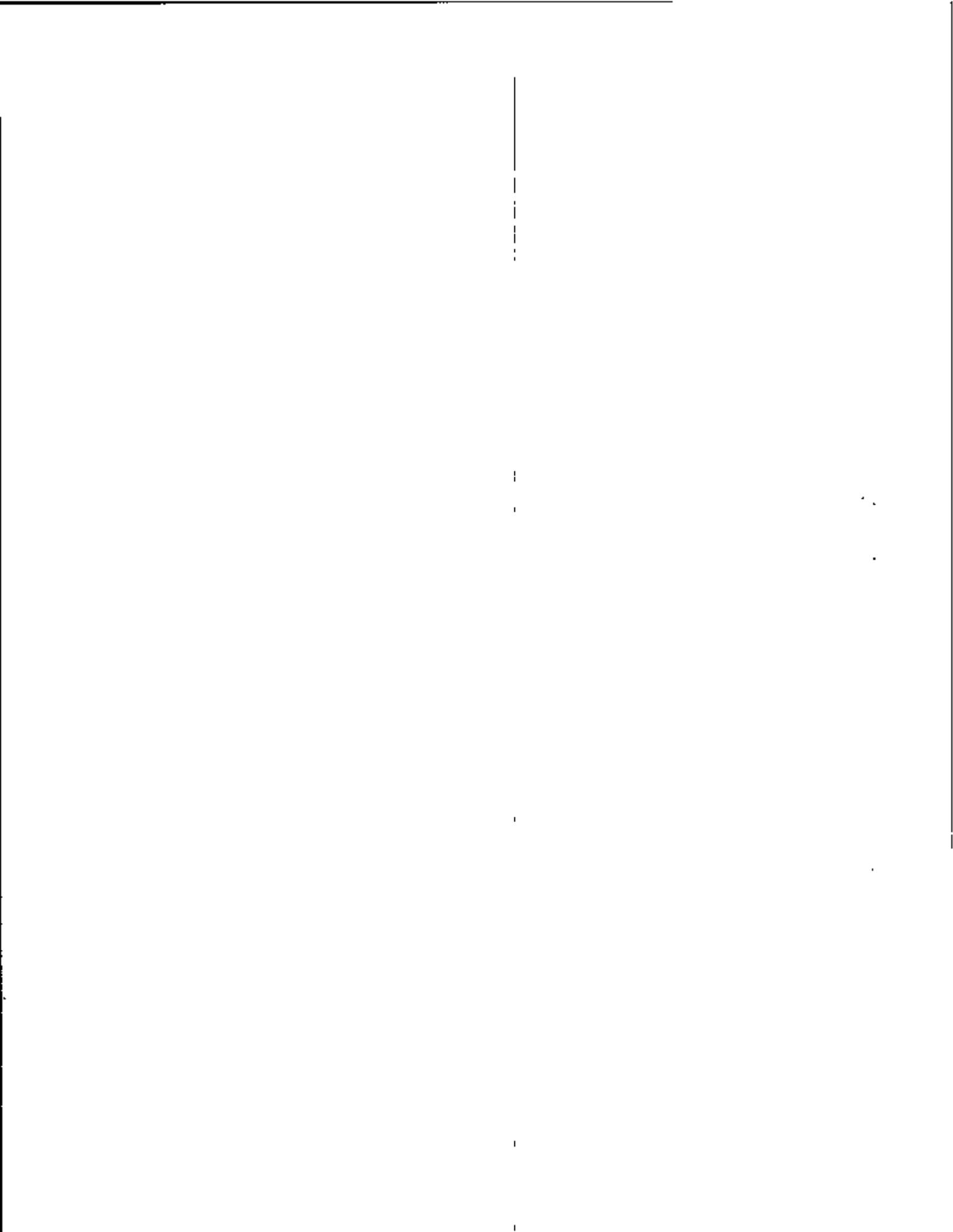
For your information, there is attached a copy of the document establishing four groups to make specified studies as part of the review of Finance functions.

The questions raised for consideration come from specific suggestions received from one or more of you in response to my memorandum of January 29 (copies of which will be furnished to the appropriate study group). They are both basic and significant. If you have comments or opinions to offer on any of them, please submit them to me as soon as possible so they may receive consideration by the appropriate study group.

Attachment:
As stated

Addressees:
Managers of Field Offices
Controller
Director, Division of Raw Materials
Director, Division of Production
Director of Military Application
Director, Division of Reactor Development
Director, Division of Research
Director, Division of Biology & Medicine
Director, Division of Contracts
Director, Division of Personnel
Director, Division of Inspection





FINANCE REVIEW COMMITTEE
PLAN FOR SPECIFIC STUDIES
(February 21, 1964)

I. General

A. Background and Objectives

Based on a number of recent statements of basic policy by the Administration and on discussions with the Bureau of Budget the Office of the General Manager has determined that planning for the next several years must be based on the expectation that very few, if any, additional positions will be authorized for AEC. However, it is also recognized there are functions and locations requiring additional staffing over this same period of time. To resolve this seemingly contradictory situation the GM has directed a review of those functions currently consuming the larger portions of AEC man-years expended to determine the extent to which changes in the basic requirements for such functions can make available both positions and personnel for reassignment. One area selected for study is that of Finance, including budgeting, accounting and auditing. (Reference memo Ink to Heads of Divisions and Offices, HQ and Managers of Field Offices dated January 27, 1964, subject: Study of AEC-Wide Finance Function.) The Controller has given his whole-hearted endorsement to this study. (Reference memo from Controller to Directors of Finance and Budget Officers dated February 10, 1964, subject: Study of AEC-Wide Finance Function.)

The Committee making the Finance Study was informed at its first meeting that in view of the imperative need for additional positions in other areas, it should seek, as an objective, reductions in Finance workload requirements over the next two years freeing between 150 and 200 man-years of effort. While reducing workload, of course, it is essential that adequate financial controls and effective tools for financial management and decision-making be maintained.

Such a reduction (particularly since substantial reductions in personnel assigned to Finance already have been made over the past 5-7 years) cannot be achieved by mere manpower utilization studies, etc. (These can help, naturally, but it is not the Committee's aim or function to undertake such reviews since other management means can accomplish that purpose.) The Committee's function is to evaluate alternates to present systems. The objectives are to find alternates which will reduce workload requirements (while maintaining adequate financial controls) and which will achieve more effective results, if possible, for the manpower being expended on Finance functions.

B. Study Groups and Desired Coverage by Each Group

Four study groups are established to assist in achieving these aims. (See Part II) Each group is to review a specific area of the Finance function, evaluate alternates and/or modifications to the present system (in terms of advantages, disadvantages, and estimated potential effect on manpower requirements) and recommend a course of action.

The Committee must report to management by May 1, but management recognizes that not all details may have been completed by that time. The objective for each study group is to complete its evaluation of the alternates, arrive at a recommended course of action and submit, as a minimum, what might be termed a "Feasibility Report", by April 15.

The alternates proposed in the assignments which follow are meant to be indicative, rather than inclusive, and the study groups are free to consider other alternates not mentioned. While the study groups are free to obtain views of AEC officials directly involved on specifics essential to evaluating alternates and determining their feasibility, the objective is to obtain the considered judgment of the study group rather than to necessarily arrive at a recommended course of action in which all interested parties may have concurred. Known contrary views of interested parties or minority views of the study group membership should be stated however, in the reports.

C. Schedule

The following schedule is established:

March 4 and 5, 1964 -- initial meeting of Committee with all study group personnel followed by separate meetings of each of the study groups. (The specific objective of this meeting is for each group to establish its own plan and schedule of work, as a minimum, and to proceed to a consideration of the alternates as time permits.)

March 11, 1964 -- each study group to submit to Committee its plan of work and schedule.

April 15, 1964 -- each study group to submit its "Feasibility Report" to the Committee. (Complete and final reports by this date, of course, would be desirable; however the report may indicate specific areas requiring further study to establish details of the recommended solution and set forth the Group's proposed target dates for completion.)

II. STUDY ASSIGNMENTS

A. Budget Process

To critically review, evaluate and make recommendations concerning simplification of the basic budget process, including (but not limited to) such questions as:

1. Should detailed budget preparation begin with establishment of dollar ceiling objectives (based on longer-range planning approach) rather than a build-up from program assumptions (frequently non-existent or unapproved)?
2. Should field submissions be significantly simplified by, for example, restricting them to:

a. For R&D activities

submission of forms 189 (with overall summary tabulation) plus only those non-programmatic schedules required to support them (e.g. Schedule 91)?

b. For production or multi-program service facilities

submission of facility type budget data with statistical allocation of program and sub-program amounts, when necessary, being made after program approval by Headquarters.

3. For R&D activities (particularly those carried on by Universities whose systems of accounting are ordinarily not based on accruals) and perhaps others (such as program 18) should budgeting and reporting be based on obligations and expenditures rather than accrued costs?

Members of Study Group:

Frank Walcavich, CH, Chairman

Frank Arrotta, RD, HQ

Dean Hartman, EL

Walt Hughes, R, HQ

(Representative of Committee: H. N. Eskildson)

Don Kull, OC, HQ

Nick Shearon, OR

Paul Woodall, P, HQ

B. Program and Financial Controls Through Financial Plans and Allotments

To critically review, evaluate and make recommendations concerning the current system of financial controls, (in terms of details in allotments,

multiple allotments, and of program and sub-program controls in financial plans) including but not limited to such questions as:

1. Should both allotments and financial plans, each with limitations, be continued or can they be combined in some fashion?
2. Should present allotment limitations not required by appropriations acts be relaxed or control exercised through other means?
3. Should allotments and financial plans for the national laboratories, separate from other allotments and financial plans to one field office, be continued or should they be combined and administrative control exercised by other means?
4. Should lump allotments for HQ designated R&D contracts and HQ extensions located at field offices be made to field offices by substituting a memorandum authorization procedure for the system of transfer allotments?

Members of Study Group:

Ed Shepherd, OC, HQ, Chairman

Paul Goodbread, SAM

Joe Kratz, RD, HQ

(Representative of Committee: Freda McPherson)

Art Rabenhorst, NY

Bert Stanwood, EM, HQ

Don Wortmann, AL

C. Auditing Program

To critically review, evaluate and make recommendations on the audit program including but not limited to such questions as:

1. Should formal audit requirements be restricted to financial transactions and rely on appraisal program (perhaps supplemented by non-scheduled special audits) of non-financial audits now required under the internal audit program?
2. Should present "layering" of audit staff be modified either by:
 - a. eliminating regional staff and permitting field audit staff to audit field office activities (as prior to 1956); or
 - b. eliminating regional staff and auditing field offices directly from HQ on a team basis.
3. Should audit function be entirely centralized under HQ?
4. Should frequency of audit cycle requirements be further reduced?

Members of Study Group:

Shera Boivin, ID, Chairman
Ken Burson, EM, HQ
Ro Braum, DC, HQ (Representative of Committee: James Wise)
Doug Frame, INS, HQ
Dick Griffin, OC, HQ
Ted Thulstrup, CH

D. Financial Reporting Requirements

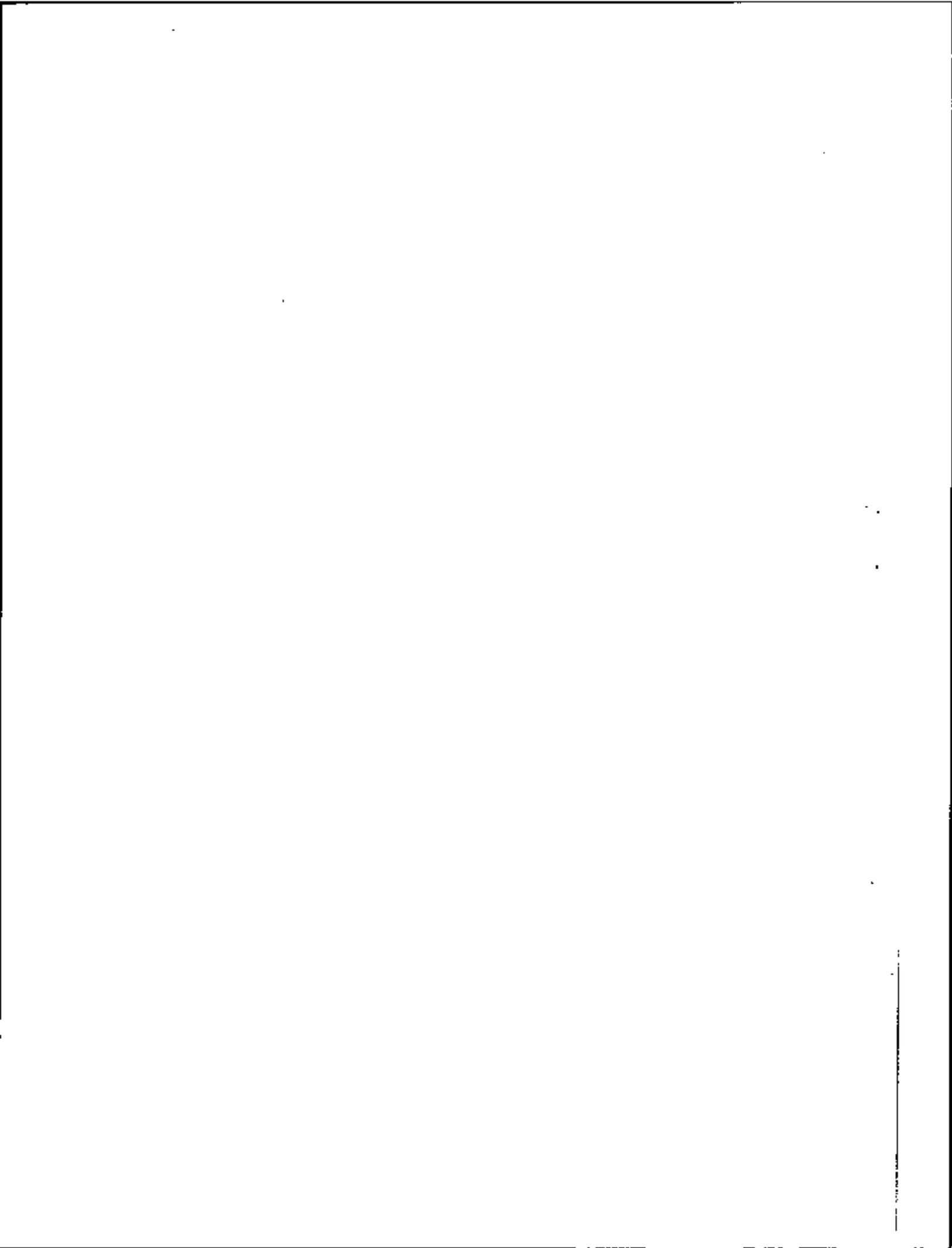
To critically review, evaluate and make recommendations concerning financial reporting requirements including but not limited to such questions as:

1. Should budget and reporting classification breakdown--including handling of multi-program facilities and services be modified?
2. Should financial reporting requirements be changed--including review of cost-budget reports; changes in plant and equipment; financial statements, etc; covering such things as frequency of reporting and degree of detail reported?

(Priority attention should be given to B&R classification to make changes effective at beginning of FY 1965. Financial reporting review should be completed--as early as possible in FY 1965. While actual change to ADP is a matter for separate study, recommendations should be consistent with the potential conversion.)

Members of Study Group:

Fred Riser, OC, HQ, Chairman
Dave Anthony, MA, HQ
Warren Henderson, OR
Jim Jakes, BR (Representative of the Committee: Don Sair)
Charlie Kelchner, OC, HQ
Dan Pollock, MD, HQ
Bob Scott, ID



UNITED STATES GOVERNMENT

Appendix F

Memorandum

TO : Directors of Divisions, Headquarters
Managers of Field Offices
Directors of Laboratories thru S. G. English, Assistant
General Manager for Research and Development
DATE: March 31, 1964

FROM : Victor Corso, Assistant
Controller for Budgets *V. Corso*

SUBJECT: CALL FOR ESTIMATES FOR FISCAL YEAR 1966 BUDGET

OCBO:WRS

My memorandum of February 11, 1964 on the above subject, specified several changes in instructions for preparation of the FY 1966 budget pending revision and issuance of AEC Manual Chapter 1320 in handbook form.

The entire budget process is currently being reviewed by a special Finance Review Committee. While this Committee has not yet submitted its report, it has gone far enough in its review to identify certain changes which offer opportunity for reducing workload. To obtain early benefit from these changes they are being placed in effect beginning with the preparation of the FY 1966 budget. Accordingly, the procedures in AEC Chapter 1320 are modified as follows:

1. AEC Subsection 1320-215 and 216. Since a portion of the justification data shown on Schedules 21a is also included on Schedules 189, the justification material shown on Schedule 21a may be omitted for certain programs. The omission of narrative justification material is based on the expectation that Schedules 189 will be available by June 1; and that sufficient justification material will be available from Schedules 189, in the case of research and development programs, and from consolidated justifications submitted by the Albuquerque Operations Office, in the case of weapons production activities. If Schedules 189 are not submitted by June 1 for any segment, then the above justification on Schedule 21a should be submitted. Particular attention is called to the need for including on the Schedules 189 or accompanying back-up material, explanations for changes in estimates which are non-programmatic (e.g. salary increases, overhead adjustments, etc.). There is no lessening of responsibilities for review of the basis for computation of estimates for the programs specified below. Field offices, multiprogram laboratories, and headquarters program divisions should be prepared to furnish whatever special information may be required in defense of proposed budget estimates.

The listing of estimates for all budget and reporting classifications on Schedule 21a will be continued as currently specified in AEC Chapter 1320.

Subject to the above, the justification material on Schedule 21a may be omitted for the following programs or portions of programs:

Process development portion of Special Nuclear Materials Program

Production portion (except for process development) of the Weapons Program for Oak Ridge Operations Office, Richland Operations Office and Savannah River Operations Office

Reactor Development Program

Physical Research Program

Biology and Medicine Program

Isotopes Development Program

2. AEC Section 1320-44. To permit "spreading of workload" at the peak of the budget cycle, data sheets may be deferred to July 1, (instead of June 1). If a field office or multiprogram laboratory elects to delay submission of data sheets, it shall submit as a part of its June 1 budget document, a brief description of and justification of need for each proposed new FY 1966 construction project listed on Schedule 43. This statement shall place major emphasis on the programmatic basis for the project and the need for its construction in FY 1966.

Earlier this year, the General Manager reviewed major construction projects, and field offices and multiprogram laboratories have been (or are being) advised by program divisions of those projects programmed for consideration in the FY 1966 budget. Field Office Managers and Laboratory Directors expecting to submit other projects are encouraged to discuss their needs as soon as possible with the appropriate program division directors to obtain program guidance so preparation of estimates and data sheets for projects which cannot be considered in this year's budget can be minimized.

3/20/64

PROPOSED CONSTRUCTION BUDGET PROCEDURES

Date	FY 1965 Projects	FY 1966 Projects	FY 1967 Projects & Beyond
Jan. 1964	<p>President's FY 1965 Budget is submitted to Congress.</p> <p>*Field offices and laboratories request A-E funds for FY 1965 projects in President's Budget.</p>	<p>Field offices and laboratories submit to program divisions list of FY 1966 projects as part of FY 1965-69 projections.</p>	<p>Field offices and laboratories submit to program divisions list of FY 1967 projects as part of FY 1965-69 projections.</p>
Feb. 1964	<p>*Headquarters reviews requests for A-E funds and gives approval through financial plans.</p>	<p>Proposed projects are reviewed by program divisions and General Manager</p>	<p>Proposed projects are reviewed by program divisions and General Manager.</p>
March 1964	<p>Congressional Hearings</p>	<p>Program divisions provide guidance to field offices and laboratories on proposed construction projects.</p>	<p>Program divisions provide guidance to field offices and laboratories on proposed construction projects.</p>
Apr.-May 1964	<p>Congressional Hearings</p>	<p>Proposed projects are reviewed by Commission and incorporated in FY 1966 preview budget and projections for FY 1965-69 submitted to Bureau of the Budget.</p>	<p>Proposed projects are reviewed by Commission and incorporated in FY 1966 preview budget and projections for FY 1965-69 submitted to Bureau of the Budget.</p>
Apr.-June 1964	<p>Congressional Hearings</p>	<p>Program divisions discuss proposed projects with field offices and laboratories.</p>	<p>Program divisions discuss proposed projects with field offices and laboratories.</p>
June-July 1964	<p>Appropriation Act approved.</p>	<p>Bureau of Budget provides guidance on budget preview and projections.</p>	<p>Bureau of Budget provides guidance on budget preview and projections.</p>
July 15, 1964	<p>Field offices and laboratories submit to program divisions revised data sheets as needed for apportionment (timing may vary depending upon date of appropriation or need for funds).</p>	<p>Field offices and laboratories submit to program divisions data sheets for FY 1966 projects.</p>	<p align="center">- -</p>
July 1964	<p>Construction funds are allotted to field offices and laboratories.</p>	<p>FY 1966 data sheets are reviewed by Headquarters divisions.</p>	<p align="center">- -</p>

*While there currently is no authority for this advance A-E, this is the procedure which would be followed if the provisions of the proposed FY 1965 authorizing legislation were now in effect.

PROPOSED CONSTRUCTION BUDGET PROCEDURES

Date	FY 1965 Projects	FY 1966 Projects	FY 1967 Projects & Beyond
Aug. 1964	--	Program divisions submit data sheets to Controller. Projects are reviewed by General Manager and included in staff paper for Commission action.	Field offices and laboratories request A-E funds for complex projects proposed for FY 1967 and later (to be financed from FY 1965 A-E project).
Sept. 1964		Commission reviews budget and submits justifications, including data sheets, to Bureau of Budget.	Headquarters reviews proposals for A-E, obtains Bureau of Budget apportionment and allots funds from FY 1965 A-E project to field offices and laboratories.
Oct.-Dec. 1964		Bureau of Budget review and action on FY 1966 budget.	--
Jan. 1965		President's FY 1966 Budget is submitted to Congress. Field offices and laboratories request A-E funds for FY 1966 projects in President's Budget.	Field offices and laboratories submit to program divisions list of proposed FY 1967 projects as part of FY 1966-70 projections.
Feb. 1965		Headquarters reviews A-E requests for FY 1966 projects and approves funds through financial plans.	Proposed projects are reviewed by Headquarters divisions and General Manager.
March 1965		Congressional Hearings.	Program divisions provide guidance on construction projects to field offices and laboratories on proposed construction projects.
Apr.-May 1965		Congressional hearings.	Proposed projects are reviewed by Commission and incorporated in FY 1967 preview budget and projections for FY 1966-70 submitted to Bureau of Budget.
Apr.-June 1965		Congressional Hearings.	Program divisions discuss proposed projects with field offices and laboratories.
June-July 1965		Appropriation Act approved.	Bureau of Budget provides guidance on budget preview and projections.

PROPOSED CONSTRUCTION BUDGET PROCEDURES

Date	FY 1965 Projects	FY 1966 Projects	FY 1967 Projects & Beyond
July 15, 1965		Field offices and laboratories submit to program divisions revised data sheets as needed for apportionment.	Field offices and laboratories submit to program divisions data sheets for FY 1967 projects.
July 1965		Construction funds are allotted to field offices and laboratories	FY 1967 data sheets are reviewed by Headquarters divisions.
Aug. 1965			Program divisions submit data sheets to Controller. Projects are reviewed by General Manager and included in staff paper for Commission action.
Sept. 1965			Commission reviews budget and submits justifications, including data sheets, to Bureau of Budget.
Oct.-Dec. 1965			Bureau of Budget review and action on FY 1967 budget.
Jan. 1966			President's FY Budget is submitted to Congress.



Bud get it
 UNITED STATES
 ATOMIC ENERGY COMMISSION
 WASHINGTON, D.C. 20540

June 11, 1964

MEMORANDUM FOR CHAIRMAN SEABORG
 COMMISSIONER PALFREY
 COMMISSIONER RAMFY
 COMMISSIONER TAPE

THROUGH GENERAL MANAGER — *L*

SUBJECT: FISCAL YEAR 1964 THIRD QUARTER FINANCIAL REVIEW

As requested by the Commission, I am summarizing my comments on the construction portion of the third quarter financial review made to the Commission on May 27, 1964.

The attached summary schedule shows the over-all status of FY 1964 construction funds as of March 31, 1964. The March 31 unobligated balance of \$265.2 million includes \$152.5 million for 50 projects on which construction has not yet started. Of these 50 projects, Title I design has started on 43 projects and construction is scheduled to start in the last quarter of FY 1964 on 24 projects.

I will comment briefly on several of the more important financial aspects of our construction program.

<u>Construction Not Started</u>	<u>Authorized Amount</u>
64-105 Spectral shift power reactor.....	\$ 30,000,000
<p>Action on this project awaits staff and Commission consideration of a revised Babcock & Wilcox-Sierra Pacific Power Company proposal. The funds of \$30 million are being held in BOB reserve.</p>	
64-a-2 Fast reactor test facility (FARET), WETS.....	\$ 17,000,000

The start of construction is being delayed pending further studies. The current cost estimate is \$20 million and it is possible that the estimate will need to be increased. If the estimate goes above \$21,250,000, it will be necessary to seek revised Congressional authorization before starting construction.

6-11-64

64-e-4 Nuclear safety engineering test facility, NRTS..... \$ 19,400,000

Title I design of LOFT (total estimated cost of \$17.3 million) is 87% complete with construction scheduled to start in July 1964. The design of NTF (total estimated cost of \$2.1 million) has not started, and the subproject is being held in abeyance pending programmatic decisions.

64-e-7 Thorium-uranium fuel cycle development facilities, ORNL..... 7,300,000

Initiation of procurement is scheduled for the fourth quarter of FY 1964. However, start of physical construction is scheduled for March 1965.

64-g-4 Tandem Van de Graaff facility, ENL..... 12,000,000

Catalytic Construction Company has been selected as the AE contractor. Negotiations for the purchase of the accelerator are underway and the order may be placed in June 1964. Construction of the building, however, will not start until March 1965.

Possible Project Cost Overruns

There are several construction projects for which there may be need for additional funds to cover increases in project cost estimates. It appears that these additional funds will not have to be allotted in FY 1964 but may be required in FY 1965. The possible project overruns aggregate about \$22.5 million. (Possible project cost underruns of about \$12.5 million are discussed in a subsequent section.)

64-e-2 Fast reactor test facility (FARET), NRTS..... \$ Possible Overrun 3,000,000

The need for a possible increase of at least \$3 million for FARET has been discussed above.

61-d-9 Advanced test reactor, NRTS..... 6,300,000

The current field estimate for this project is \$53.3 million, an increase of \$6.3 million over the available funds of \$47.0 million. The revised estimate includes \$8.0 million for a gas test loop on which design has been authorized but construction has not started pending programmatic and funding determinations.

59-d-10 Flexible experimental prototype gas cooled reactor, OR.. \$ 5,900,000

This project is currently funded at \$54.1 million. The current Oak Ridge cost estimate is \$57.5 million; however, the Division of Construction estimates the total cost may be as high as \$60.0 million.

64-a-8 Modifications to CAMEL facilities, Middletown, Conn..... 361,000

This project as justified to Congress contained two subprojects totaling \$1,455,000: (1) boiler test facility--\$650,000 and (2) environmental control of machine shop -- \$805,000. NYOO is now proposing to construct only the boiler test facility, but at a revised estimate of \$1,816,000. The staff is presently reviewing the current project scope as compared to the Congressional authorization. A determination as to whether a revised Congressional authorization is needed or not has not been made.

62-d-1 Test plant for project SHAP, Santa Susanna, Calif..... 2,100,000

This project is currently funded for \$7.5 million. Chicago has forwarded a revised estimate of \$9.6 million based on a conceptual design study incorporating NASA and AEC testing requirements.

60-e-11 Natural circulation test plant, NRTS..... 2,200,000

This project is currently funded at \$18.5 million. The current funding does not include provision for a pending claim submitted by Shaw & Estes in the amount of \$2.2 million.

62-d-2 Experimental beryllium oxide reactor (EBOR), NRTS..... 400,000

60-e-15 Power reactor of advanced design capable of utilizing superheat (BORUS)..... 640,000

58-a-11 Sodium reactor experiment (SRE) modifications..... 800,000

It is presently estimated that increases aggregating about \$1.8 million may be necessary for the above three reactor development projects.

61-f-4 High flux isotope reactor..... \$1,000,000

The Division of Construction has estimated that there may be need for an increase of \$1.0 million above the \$14.7 million total now available for this project.

<u>Possible Project Cost Underruns</u>	<u>Possible Underrun</u>
64-a-4 Additional waste storage facilities, Savannah River.....	\$4,200,000
63-b-2 Additional high level waste storage tanks, SR.....	2,500,000
<p>Work on both of these projects is being deferred pending over-all waste management review. Project 64-a-4 is currently funded at \$7.7 million and the entire amount is held in BOB reserve. Project 63-b-2 is currently funded at \$6 million with Title II design about 24% complete. The Division of Production has advised that these projects can be reduced by the above amounts.</p>	
64-a-1 Modifications to production and supporting installations...	3,500,000
<p>This project was authorized for \$5 million; however, no subprojects are programmed to date. It appears that at least \$3.5 million of this total will be unprogrammed at June 30, 1964.</p>	
62-a-1 Modifications to production and supporting installations...	1,200,000
<p>Because of scheduled reactor shutdowns, some planned work under this super general plant project, presently funded at \$5.1 million, is being deferred and it is expected that savings will be about \$1.2 million.</p>	
61-a-6 Moderator purification improvements, Savannah River.....	500,000
64-c-2 Explosive component plant, Mound Laboratory.....	500,000

These projects are currently funded at \$1.7 million and \$1.6 million respectively. The program divisions have advised that potential savings of \$0.5 million may be possible for each project.

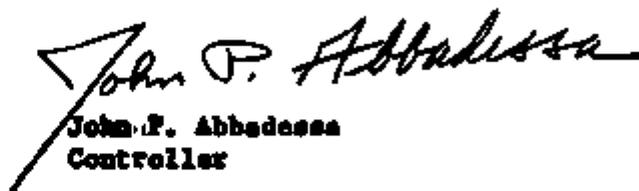
Advance AE

The FY 1964 appropriation included \$5 million for construction planning and design in order to develop firm cost estimates for projects which may be included in future authorization requests. Following review by the Commission and apportionment by the Bureau of the Budget, we have allotted a total of \$2.3 million for design work on seven proposed future projects. There are no current plans for obligating the balance of \$2.7 million for this purpose.

Status of Stanford Accelerator Project

The total cost of the Stanford Accelerator (project 61-f-7) is still estimated at \$114.0 million, which is the amount authorized. Of this total, \$90.0 million has been appropriated through FY 1964 and \$24.0 million is included in the FY 1965 appropriation request. As of March 31, design was 67% complete compared to a scheduled 74% and construction was 20% complete compared to a scheduled 26%. At the time of authorization, the provision for contingency and escalation was \$24.7 million or 27.6% of other costs. The current working cost estimate includes \$19.2 million for contingency and escalation. This amount is 20.3% of other costs, but 26.9% of the uncosted balance.

I would be pleased to supply any additional information that might be desired.


John P. Abbeduto
Controller

Attachment:
Summary Schedule

cc: A. R. Luetscke, GM
R. E. Hollingsworth, DGM
J. V. Vinciguerra, Acting AGM
G. P. Quinn, ACMFP
S. C. English, ACMMD
W. B. McCool, SECT
F. P. Baranowski, PROD
Brig. Gen. D. L. Crosson, DMA
F. K. Pittman, RD
P. McDaniel, RES
J. Derry, COM

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects
(In Millions)

SUMMARY

FY 1964 Appropriation	\$ 245.3
Unobligated balance 6/30/63	146.3
Planned carry-over to FY 1965	<u> -</u>
Available for obligation, FY 1964	391.6
Actual obligations thru March, 1964	<u>126.4</u>
Unobligated balance 3/31/64	265.2

Analysis of Unobligated Amount

Projects not started - Table I	152.5
Projects Which Had Substantial Unobligated Balances at 3/31/64 - Table II	79.9
FY 1964 General Plant Projects (TEC \$40,399)	12.7
Other Projects (89 projects)	<u>20.1</u>
Total	<u>\$ 265.2</u>

FY 1964 THIRD QUARTER FINANCIAL REVIEW
CAPITAL EQUIPMENT NOT RELATED TO CONSTRUCTION

Office of the Controller
Budget Operations Branch
MAY 4 1964

5-4-64

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Capital Equipment Not Related to Construction
(Obligations - In Millions)

SUMMARY

<u>Program</u>	<u>FY 1964 Column of the FY 1965 Budget to Cong.</u> (1)	<u>FY 1964 Financial Plan</u> (2)	<u>Nine Months Actual</u> (3)	<u>Available for Last 3 Months (Col. 2-3)</u> (4)
Raw Materials	\$ 1/	\$ 1/	\$ 1/	\$ 1/
Special Nuclear Materials..	21.6	21.6	15.8	5.8
Weapons	61.0	64.6	51.7	12.9
Reactor Development	28.5	29.3	26.2	3.1
Physical Research	36.3	36.3	29.4	6.9
Biology and Medicine	3.6	3.6	3.1	0.5
Training, Education and Information	0.5	0.5	0.3	0.2
Isotopes	2.2	2.2	1.4	0.8
Plowshare	0.3	0.4	0.3	0.1
Community	0.1	0.1	0.1	-
Administrative	<u>0.6</u>	<u>0.6</u>	<u>0.3</u>	<u>0.3</u>
	<u>\$ 154.7</u>	<u>\$ 159.2</u>	<u>\$ 128.6</u>	<u>\$ 30.6</u>

1/ Less than \$50,000.

FY 1964 Third Quarter Financial Review
Capital Equipment Not Related to Construction

<u>Program and Category</u>	<u>FY 1964 Column of the FY 1965 Budget to Cong.</u> (1)	<u>FY 1964 Financial Plan</u> (2)	<u>Nine Months Actual</u> (3)	<u>Available for Last 3 Months (Col. 2-3)</u> (4)
<u>Raw Materials</u>	\$ 1/	\$ 1/	\$ 1/	\$ 1/
<u>Special Nuclear Materials</u>				
Feed Materials	1.9	1.9	1.5	0.4
U-235 Production	2.9	2.9	1.6	1.3
Reactor Products Production Separations of Irradiated Non-Production Reactor Fuels	10.3	10.3	7.2	3.1
Process Development.....	0.3	0.5	0.4	0.1
Other Capital Equipment ...	2.0	2.0	2.9	-0.9
	<u>4.2</u>	<u>4.0</u>	<u>2.2</u>	<u>1.8</u>
Total Special Nuclear Materials	21.6	21.6	15.8	5.8
<u>Weapons</u>				
Production, Storage, and Surveillance	25.3	23.6	22.1	1.5
Research and Development ..	17.2	23.0	14.7	8.3
Full Scale Tests	13.4	13.4	10.7	2.7
Special Test Detection Activities	<u>5.1</u>	<u>4.8</u>	<u>4.2</u>	<u>0.8</u>
Total Weapons Program.	61.0	64.8	51.7	12.9
<u>Reactor Development</u>				
Civilian Power Reactors ...	4.1	3.8	3.2	0.6
Cooperative Power Reactor Demonstration Program	0.2	0.4	0.2	0.2
Merchant Ship Reactors.....	0.3	0.1	-	0.1
Army Power Reactors	0.2	0.1	0.1	-
Naval Propulsion Reactors..	7.5	7.5	6.3	1.2
Rocket Propulsion Reactors.	2.1	2.8	2.5	0.3
Missile Propulsion Reactors	0.2	0.2	0.2	-
Satellite and Small Power Sources	5.1	4.4	3.7	0.7
General Reactor Technology.	1.8	2.0	2.3	-0.3
Advanced Systems R&D	1.0	0.9	0.7	0.2
Nuclear Safety	1.2	1.2	1.2	-
Other Capital Equipment ...	<u>4.8</u>	<u>5.9</u>	<u>5.8</u>	<u>0.1</u>
Total Reactor Development	28.5	29.3	26.2	3.1

1/ Less than \$50,000.

FY 1964 Third Quarter Financial Review
Capital Equipment Not Related to Construction
(Obligations - In Millions)

<u>Program and Category</u>	<u>FY 1964 Column of the FY 1965 Budget to Cong.</u> (1)	<u>FY 1964 Financial Plan</u> (2)	<u>Nine Months Actual</u> (3)	<u>Available for Last 3 Months (Col. 2-3)</u> (4)
<u>Physical Research</u>				
High Energy Physics	\$ 17.6	\$ 17.6	\$ 16.4	\$ 1.2
Low Energy Physics	7.9	7.9	3.1	4.8
Mathematics & Computer Research	0.3	0.3	0.2	0.1
Chemistry	4.4	4.4	3.9	0.5
Metallurgy and Materials ..	2.5	2.5	2.3	0.2
Controlled Thermomuclear ..	1.9	1.9	1.6	0.3
Other Capital Equipment ...	<u>1.7</u>	<u>1.7</u>	<u>1.9</u>	<u>-0.2</u>
Total Physical Research	36.3	36.3	29.4	6.9
<u>Biology and Medicine</u>	3.6	3.6	3.1	0.5
<u>Training, Education and Information</u>				
Training and Education in Physical and Life Sciences and Engineering	0.2	0.2	0.1	0.1
Training and Education of Foreign Nationals in Nuclear Science and Technology ...	0.1	0.1	0.1	-
Training Assistance to States and Local Governments in Radiation Control	<u>1/</u>	<u>1/</u>	-	<u>1/</u>
Technical Information Services	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>
Total TE&I	0.5	0.5	0.3	0.2
<u>Isotopes Development</u>				
Radioisotope Technology Development	0.1	<u>1/</u>	<u>1/</u>	<u>1/</u>
Isotopic Power and Heat Sources Development	0.5	0.6	0.6	-
Radioisotope Production and Separations Technology ...	0.4	0.4	0.4	-
Process Radiation Development	0.5	0.5	0.4	0.1
Radiation Pasteurization of Foods	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
Total Isotopes Development	2.2	2.2	1.4	0.8

1/ Less than \$50,000.

FY 1964 Third Quarter Financial Review
Capital Equipment Not Related to Construction
(Obligations - In Millions)

<u>Program and Category</u>	<u>FY 1964 Column of the FY 1965 Budget to Cong.</u> (1)	<u>FY 1964 Financial Plan</u> (2)	<u>Nine Months Actual</u> (3)	<u>Available for Last 3 Months (Col. 2-3)</u> (4)
<u>Civilian Applications of Nuclear Explosives (Plowshare)</u>	\$ 0.3	\$ 0.4	\$ 0.3	\$ 0.1
<u>Community</u>	0.1	0.1	0.1	-
<u>Administrative</u>	<u>0.6</u>	<u>0.6</u>	<u>0.3</u>	<u>0.3</u>
<u>Total - All Programs</u>	<u>\$ 154.7</u>	<u>\$ 159.2</u>	<u>\$ 128.6</u>	<u>\$ 30.0</u>

FY 1964 THIRD QUARTER FINANCIAL REVIEW

CONSTRUCTION PROJECTS

Office of the Controller
Budget Operations Branch
MAY 4 1964

5-4-64

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects
(In Millions)

SUMMARY

FY 1964 Appropriation	\$ 245.3
Unobligated balance 6/30/63	146.3
Planned carry-over to FY 1965	<u> -</u>
Available for obligation, FY 1964	391.6
Actual obligations thru March, 1964	<u>126.4</u>
Unobligated balance 3/31/64	265.2

Analysis of Unobligated Amount

Projects not started - Table I	152.5
Projects Which Had Substantial Unobligated Balances at 3/31/64 - Table II	79.9
FY 1964 General Plant Projects (TEC \$40,399)	12.7
Other Projects (89 projects)	<u>20.1</u>
Total	<u>\$ 265.2</u>

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 3/31/64</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Special Nuclear Materials</u>					
64-a-1 Modifications to production and supporting installations	\$ 5.0	\$ -	NS	NS	NS
64-a-2 Waste fractionization facilities, Richland, Washington	3.7	-	4/64	1/65	7/66
64-a-3 Additional waste storage facilities, National Reactor Testing Station, Idaho	3.4	-	6/64	8/64	7/65
64-a-4 Additional waste storage facilities, Savannah River, South Carolina	7.7	-	NS	NS	NS
64-b-1 Additional boiler for heating plant, Richland, Washington	0.7	0.2	10/63	6/64	1/65
63-a-1 Modifications to production and supporting installations.....	1.0	0.1	9/63	NS	10/64
63-b-1 Consolidated service facility, Hanford, Washington	1.0	0.1	1/63	7/64	9/65
63-b-2 Additional high-level waste storage tanks, Savannah River, South Carolina	6.0	3.6	3/62	NS	NS
62-a-2 Fission product recovery Phase II, Hanford, Washington ...	1.5	0.2	8/63	12/64	3/66

(NS - Not Scheduled)

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 3/31/64</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
	(1)	(2)	(3)	(4)	(5)
<u>Weapons - continued</u>					
64-c-2 Explosive component plant, Mound Laboratory, Miamiburg, Ohio	\$ 1.6	\$ 0.1	6/63	6/64	4/65
64-c-3 Radiography facility, Sandia Base, New Mexico	0.3	a/	6/63	4/64	10/64
64-c-4 Nuclear safety facility, Rocky Flats, Colorado	1.5	0.2	7/63	5/64	11/64
64-c-5 Fabrication building addition, Rocky Flats, Colorado	2.1	0.2	10/63	8/64	7/65
64-d-1 Theoretical and computations building, Lawrence Radiation Laboratory, California.	3.5	0.3	7/63	4/64	12/65
64-d-2 Additions to ad- ministration and computer buildings, Los Alamos Scientific Laboratory, New Mexico	2.4	0.1	5/63	5/64	5/65
64-d-4 Steam plant addition, Sandia Base, New Mexico	0.7	0.2	4/63	7/64	12/64
64-d-5 Test range improvements, Tonopah, Nevada	0.8	0.1	4/63	4/64	10/64
64-d-6 Base construction, Nevada Test Site, Nevada	4.0	0.1	8/63	4/64	1/65

a/ Less than \$50,000.

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 3/31/64</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
	(1)	(2)	(3)	(4)	(5)
<u>Weapons - continued</u>					
64-d-7 Manufacturing standards laboratory, Rocky Flats, Colorado..	\$ 0.7	\$ 0.2	5/63	4/64	11/64
64-d-10 Occupational health laboratory, Los Alamos Scientific Laboratory, New Mexico.	1.7	0.9	1/64	7/64	9/65
64-d-11 High temperature chemistry facility, Los Alamos Scientific Laboratory, New Mexico.	1.4	0.5	1/64	7/64	9/65
64-d-12 Plutonium research support building, Los Alamos Scientific Laboratory, New Mexico.	0.7	0.1	1/64	6/64	4/65
64-d-13 Radiochemistry building, Lawrence Radiation Laboratory, California	5.9	0.1	3/64	4/65	9/66
64-d-14 Hazards control addition, Lawrence Radiation Laboratory, California.	1.0	0.1	2/64	10/64	6/65
64-d-15 Plant engineering and services building, Lawrence Radiation Laboratory, California.	1.4	0.1	3/64	12/64	12/65
64-d-16 West cafeteria addition, Lawrence Radiation Laboratory, California.	0.3	<u>a/</u>	3/64	8/64	1/65

a/ Less than \$50,000.

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Costs</u> (1)	<u>Oblig. thru 3/31/64</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Weapons - continued</u>					
64-d-17 Craft shop addition, Lawrence Radiation Laboratory, California	\$ 0.2	\$ <u>a/</u>	2/64	6/64	10/64
64-d-18 Development laboratory, Sandia Base, New Mexico	3.8	-	3/64	9/64	2/66
64-d-19 Explosive facilities, Sandia Base, New Mexico.	0.5	<u>a/</u>	2/64	6/64	3/65
64-d-20 Classified technical reports build- ing addition, Sandia Base, New Mexico	0.5	<u>a/</u>	2/64	6/64	12/64
64-d-21 Control point additions, Nevada Test Site, Nevada	0.6	<u>a/</u>	2/64	5/64	2/65
<u>Reactor Development</u>					
64-e-1 Modifications to reactor facilities	3.0	0.1	2/64	5/64	FY 1966
64-e-2 Fast reactor test facility, National Reactor Testing Station, Idaho..	17.0	1.8	12/62	8/64	6/67
64-e-3 SNAP development and test facilities, Santa Susana, California	0.5	-	5/64	1/65	7/65
64-e-4 Nuclear safety engineering test facil- ities, National Reactor Testing Station, Idaho..	19.4	1.3	6/63	7/64	6/66

a/ Less than \$50,000.

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 3/31/64</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Reactor Development - continued</u>					
64-a-7 Thorium-uranium fuel cycle development facility, Oak Ridge National Laboratory, Tennessee	\$ 7.3	\$ 0.2	1/63	3/65	8/66
64-a-8 Modifications to CAMEL facilities, Middletown, Connecticut	1.5	-	4/64	11/64	4/65
64-a-11 High temperature lattice testing reactor, Richland, Washington ..	2.5	0.2	6/63	7/64	10/65
64-105 Spectral shift power reactor	30.0	-	NS	NS	NS
<u>Physical Research</u>					
64-g-1 Accelerator improvements, Lawrence Radiation Laboratory, California	0.8	0.1	3/64	4/64	1/66
64-g-2 Accelerator improve- ments, Argonne National Laboratory, Illinois ...	0.5	a/	11/63	4/64	2/65
64-g-4 Tandem Van de Graeff facility, Brookhaven National Laboratory, New York	12.0	0.1	4/64	6/64	10/67

a/ Less than \$50,000

(NS - Not scheduled)

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)
- continued *

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 3/31/64</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
	(1)	(2)	(3)	(4)	(5)
<u>Physical Research</u>					
64-g-5 Accelerator improvements, Cambridge and Princeton accelerators	\$ 0.7	\$ 0.4	3/64	4/64	7/65
64-h-1 Modifications and additions to cafeteria, Lawrence Radiation Laboratory, California	0.3	0.3	1/64	11/64	8/65
64-h-2 Steam plant addition, Brookhaven National Laboratory, New York	0.9	0.4	7/63	6/64	6/65
63-h-1 Low level radio-chemistry laboratory, Hanford, Washington ...	1.3	0.1	3/63	4/64	6/65
<u>Biology and Medicine</u>					
64-i-1 Low-level radiation counting facility for clinical research, Brookhaven National Laboratory, New York ...	0.4	a/	11/63	8/64	6/65
64-i-2 Additional animal quarters, Lovelace Foundation, Albuquerque, New Mexico	0.5	a/	10/63	4/64	10/64

a/ Less than \$50,000.

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)
- continued -

<u>Program and Project</u>	<u>Total</u>	<u>Oblig.</u>	<u>Title I</u>	<u>Construction</u>	
	<u>Estimated</u>	<u>thru</u>	<u>Design</u>	<u>Start</u>	<u>Completion</u>
	<u>Cost</u>	<u>3/31/64</u>	<u>Start</u>	<u>(4)</u>	<u>(5)</u>
	(1)	(2)	(3)		
<u>Community</u>					
64-j-1 Water distribution system, Phase II, White Rock, Los Alamos, New Mexico	\$ 0.6	\$ <u>a/</u>	3/64	4/64	10/64
64-j-3 Additional water well, Los Alamos, New Mexico	0.2	<u>a/</u>	3/64	4/64	10/64

a/ Less than \$50,000.

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial

Unobligated Balances at

March 31, 1964

(In Millions)

<u>Program and Project</u>	<u>Current TEC</u> (1)	<u>Available for Obligation in FY 1964</u> (2)	<u>Amount Obligated in FY 1964</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Special Nuclear Materials</u>				
63-a-3 Radioactive waste disposal facilities Hanford, Washington	\$ 4.5	\$ 3.5	\$ 2.6	\$ 0.9
62-a-1 Modifications to production and supporting installations	5.1	1.1	-0.3	1.4
61-a-6 Moderator purification improvements, Savannah River, South Carolina	1.7	0.5	-	0.5
59-a-5 Production reactor facility for special nuclear materials, convertible type, Hanford, Washington	199.7 ^{a/}	5.1	1.7	3.4
<u>Weapons</u>				
63-c-1 Weapons production, development, and test installations	10.2	5.9	5.0	0.9
64-c-1 Weapons production, development, and test installations	10.0	8.1	4.2	3.9

^{a/} Includes \$0.3 million non-fund cost.

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at

March 31, 1964

(In Millions)

- continued -

<u>Program and Project</u>	<u>Current TEC</u>	<u>Available for Obligation in FY 1964</u>	<u>Amount Obligated in FY 1964</u>	<u>Available for Balance of Year (Col. 2-3)</u>
	(1)	(2)	(3)	(4)
<u>Reactor Development</u>				
64-a-9 Research and development test plants for Project Rover, Los Alamos Scientific Laboratory, New Mexico and Nevada Test Site	\$ 3.0	\$ 3.0	\$ 0.3	\$ 2.7
63-a-2 Modifications to reactors	2.3	0.8	0.1	0.7
63-e-4 Research and development test plants for Project Rover	8.3	3.9	1.8	2.1
62-d-1 Test plant for Project SNAP, Santa Susana, California	7.5	1.5	-	1.5
62-d-2 Experimental beryllium oxide reactor, National Reactor Testing Station, Idaho	8.6	1.1	0.5	0.6
61-d-5 Fast reactor core test installation, Los Alamos Scientific Laboratory, New Mexico.	8.0	4.0	2.7	1.3
61-d-7 Test installation for Project Rover	30.1	8.4	3.4	5.0
61-d-9 Advanced test reactor	47.0	13.6	7.2	6.4
60-e-12 Alterations to Shippingport reactor facilities	9.0	0.9	0.3	0.6

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at

March 31, 1964

(In Millions)

- continued -

<u>Program and Project</u>	<u>Current TEC</u> (1)	<u>Available for Obligation in FY 1964</u> (2)	<u>Amount Obligated in FY 1964</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Reactor Development - continued</u>				
60-a-15 Power reactor of advanced design capable of utilizing nuclear superheat	\$ 12.1	\$ 2.0	\$ 1.2	\$ 0.8
59-d-10 Flexible experimental prototype gas-cooled reactor	54.1	7.7	3.2	4.5
58-a-11 Sodium reactor experiment (SRE) modification, Santa Susana, California	5.6	2.6	0.5	2.1
58-111 Cooperative power reactor demonstration program	52.9 ^{b/}	3.0	1.2	1.8
56-b-2 Fast Power breeder pilot facility (EBR-II)	35.8	3.7	1.9	2.4
<u>Physical Research</u>				
61-f-2 Princeton-Pennsylvania accelerator addition, Princeton, New Jersey ...	10.8	4.3	-	4.3
61-f-4 High flux isotope reactor, Oak Ridge National Laboratory, Tennessee....	14.7	2.3	1.2	1.1
61-f-7 Linear electron accelerator	114.0 ^{c/}	45.7	21.1	24.6

^{b/} TEC excludes \$1.5 million to be obligated in FY 1965.

^{c/} TEC includes \$24.0 to be obligated in FY 1965.

FY 1964 THIRD QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at
March 31, 1964
(In Millions)
- continued -

<u>Program and Project</u>	<u>Current TEC</u> (1)	<u>Available for Obligation in FY 1964</u> (2)	<u>Amount Obligated in FY 1964</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Physical Research - continued</u>				
60-g-3 Transuranium processing plant, Oak Ridge National Laboratory, Tennessee	\$ 8.7	\$ 1.5	\$ -	\$ 1.5
57-d-1 Zero gradient synchrotron, Argonne National Laboratory, Illinois	51.8	3.1	1.0	2.1
<u>Community</u>				
'63-CDF Community disposal project, Los Alamos, New Mexico	8.7	4.3	1.5	2.8

FY 1964 SECOND QUARTER FINANCIAL REVIEW
CAPITAL EQUIPMENT NOT RELATED TO CONSTRUCTION

Office of the Controller
Budget Operations Branch
February 4, 1964

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Capital Equipment Not Related to Construction
(Obligations - In Millions)

SUMMARY

<u>Program</u>	<u>FY 1964 Estimate</u> ^{2/} (1)	<u>First 6 Months Actual</u> (2)	<u>Available for Last 6 Months (Col. 1-2)</u> (3)
Raw Materials.....	\$ <u>1/</u>	\$ <u>1/</u>	\$ <u>1/</u>
Special Nuclear Materials.....	21.6	6.0	15.6
Weapons.....	61.0	23.6	37.4
Reactor Development.....	28.5	14.6	13.9
Physical Research.....	36.3	15.4	20.9
Biology and Medicine.....	3.6	1.5	2.1
Training, Education and Information.....	0.5	0.1	0.4
Isotopes.....	2.2	0.4	1.8
Plowshare.....	0.3	0.1	0.2
Community.....	0.1	- ^{1/}	0.1
Administrative.....	<u>0.6</u>	<u>0.1</u>	<u>0.5</u>
	<u>154.7</u>	<u>61.8</u>	<u>92.9</u>

^{1/} Less than \$50,000.

^{2/} FY 1964 column of FY 1965 budget to Congress.

FY 1964 Second Quarter Financial Review
Capital Equipment Not Related to Construction

<u>Program and Category</u>	<u>FY 1964</u> <u>Estimate 2/</u> (1)	<u>First 6</u> <u>Months</u> <u>Actual</u> (2)	<u>Available</u> <u>for Last</u> <u>6 Months</u> <u>(Col. 1-2)</u> (3)
<u>Raw Materials</u>	\$ 1/	\$ 1/	\$ 1/
<u>Special Nuclear Materials</u>			
Feed Materials.....	1.9	0.6	1.3
U-235 Production.....	2.9	0.2	2.7
Reactor Products Production....	10.3	1.4	8.9
Separations of Irradiated Non- Production Reactor Fuels.....	0.3	0.2	0.1
Process Development.....	2.0	1.1	0.9
Other Capital Equipment.....	<u>4.2</u>	<u>2.5</u>	<u>1.7</u>
Total Special Nuclear Materials	21.6	6.0	15.6
<u>Weapons</u>			
Production, Storage, and Surveillance.....	25.3	9.9	15.4
Research and Development.....	17.2	7.3	9.9
Full Scale Tests.....	13.4	5.0	8.4
Special Test Detection Activities	<u>5.1</u>	<u>1.4</u>	<u>3.7</u>
Total Weapons Program.....	61.0	23.6	37.4
<u>Reactor Development</u>			
Civilian Power Reactors.....	4.1	1.3	2.8
Cooperative Power Reactor Demonstration Program.....	0.2	- 1/	0.2
Merchant Ship Reactors.....	0.3	- 1/	0.3
Army Power Reactors.....	0.2	- 1/	0.2
Naval Propulsion Reactors.....	7.5	6.0	1.5
Rocket Propulsion Reactors.....	2.1	1.7	0.4
Missile Propulsion Reactors....	0.2	0.2	-
Satellite and Small Power Sources	5.1	0.9	4.2
General Reactor Technology.....	1.8	0.8	1.0
Advanced Systems R&D.....	1.0	- 1/	1.0
Nuclear Safety.....	1.2	0.7	0.5
Other Capital Equipment.....	<u>4.8</u>	<u>3.0</u>	<u>1.8</u>
Total Reactor Development...	<u>28.5</u>	<u>14.6</u>	<u>13.9</u>

1/ Less than \$50,000.

2/ FY 1964 column of FY 1965 budget to Congress.

FY 1964 Second Quarter Financial Review
Capital Equipment Not Related to Construction
(Obligations - In Millions)

<u>Program and Category</u>	<u>FY 1964 Estimate</u> ^{2/} (1)	<u>First 6 Months Actual</u> (2)	<u>Available for Last 6 Months (Col. 1-2)</u> (3)
<u>Physical Research</u>			
High Energy Physics.....	\$ 17.6	\$ 9.3	\$ 8.3
Low Energy Physics.....	7.9	1.2	6.7
Mathematics & Computer Research	0.3	0.2	0.1
Chemistry.....	4.4	1.9	2.5
Metallurgy and Materials.....	2.5	1.3	1.2
Controlled Thermonuclear.....	1.9	0.6	1.3
Other Capital Equipment.....	<u>1.7</u>	<u>0.9</u>	<u>0.6</u>
Total Physical Research.....	<u>36.3</u>	<u>15.4</u>	<u>20.9</u>
<u>Biology and Medicine.....</u>	<u>3.6</u>	<u>1.5</u>	<u>2.1</u>
<u>Training, Education and Information</u>			
Training and Education in Physical and Life Sciences and Engineering.....	0.2	0.1	0.1
Training and Education of Foreign Nationals in Nuclear Science and Technology.....	0.1	-	0.1
Training Assistance to States and Local Governments in Radiation Control.....	- ^{1/}	-	- ^{1/}
Technical Information Services	<u>0.2</u>	<u>- ^{1/}</u>	<u>0.2</u>
Total TE&I.....	<u>0.5</u>	<u>0.1</u>	<u>0.4</u>
<u>Isotopes Development</u>			
Radioisotope Technology Development.....	0.1	-	0.1
Isotopic Power and Heat Sources Development.....	0.5	0.2	0.3
Radioisotope Production and Separations Technology.....	0.4	-	0.4
Process Radiation Development...	0.5	0.2	0.3
Radiation Pasteurization of Feeds.....	<u>0.7</u>	<u>-</u>	<u>0.7</u>
Total Isotopes Development...	<u>2.2</u>	<u>0.4</u>	<u>1.8</u>

^{1/} Less than \$50,000.

^{2/} FY 1964 column of FY 1965 budget to Congress.

FY 1964 Second Quarter Financial Review
Capital Equipment Not Related to Construction
(Obligations - In Millions)

<u>Program and Category</u>	<u>FY 1964 Estimate</u> ^{2/} (1)	<u>First 6 Months Actual</u> (2)	<u>Available for Last 6 Months (Col. 1-2)</u> (3)
<u>Civilian Applications of Nuclear Explosives (Flowshare)</u>	\$ <u>0.3</u>	\$ <u>0.1</u>	\$ <u>0.2</u>
<u>Community</u>	<u>0.1</u>	<u>-</u> ^{1/}	<u>0.1</u>
<u>Administrative</u>	<u>0.6</u>	<u>0.1</u>	<u>0.5</u>
<u>Total - All Programs</u>	<u>154.7</u>	<u>61.8</u>	<u>92.9</u>

1/ Less than \$50,000.

2/ FY 1964 column of FY 1965 budget to Congress.

FY 1964 SECOND QUARTER FINANCIAL REVIEW

CONSTRUCTION PROJECTS

Office of the Controller
Budget Operations Branch
February 4, 1964

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects
(In Millions)

SUMMARY

FY 1964 Appropriation	\$ 245.3
Unobligated balance 6/30/63	146.3
Planned carry-over to FY 1965	_____
Available for obligation, FY 1964	391.6
Actual obligations thru December, 1963	<u>74.1</u>
Unobligated balance 12/31/63	317.5

Analysis of Unobligated Amount

Projects not started - Table I	186.4
Projects Which Had Substantial Unobligated Balances at 12/31/63 - Table II	89.6
FY 1964 General Plant Projects (TEC \$40,399)	27.9
Other Projects (77 projects)	<u>13.6</u>
Total	<u>\$ 317.5</u>

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 12/31/63</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Special Nuclear Materials</u>					
64-a-1 Modifications to production and supporting installations	\$ 5.0	\$ -	NS	NS	NS
64-a-2 Waste fractionization facilities, Richland, Washington	3.7	-	6/64	3/65	4th qtr. 1966
64-a-3 Additional boiler for heating plant, NRTS, Idaho	3.4	-	3/64	2/65	6/65
64-a-4 Additional waste storage facilities, Savannah River	7.7	-	NS	NS	NS
64-b-1 Additional boiler for heating plant, Richland Washington	0.7	<u>1/</u>	8/63	4/64	4/65
63-a-1 Modifications to production and supporting installations	1.0	<u>1/</u>	9/63	9/64	3rd qtr. 1965
63-b-1 Consolidated service facility, Hanford	1.0	0.1	1/63	5/64	7/65
63-b-2 Additional high-level waste storage tanks, Savannah River	6.0	3.6	3/62	NS	NS
62-a-2 Fission product recovery phase II, Hanford	1.5	0.3	8/63	10/64	3/66

1/ Less than \$50,000.

(NS - Not scheduled)

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 12/31/63</u> (2)	<u>Title-I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Weapons</u>					
64-c-1 Weapons production, development and test installations	\$ 10.1	\$ 0.1	5/63	1/64	6/65
64-c-2 Explosive component plant, Mound Laboratory	1.6	<u>1/</u>	5/63	2/64	12/64
64-c-3 Radiography facility, Sandia Base, New Mexico	0.3	0.1	6/63	2/64	8/64
64-c-4 Nuclear safety facility, Rocky Flats, Colorado	1.5	<u>1/</u>	7/63	4/64	11/64
64-c-5 Fabrication building addition, Rocky Flats, Colorado	2.1	<u>1/</u>	10/63	8/64	7/65
64-d-1 Theoretical and computations building, Lawrence Radiation Laboratory	3.5	0.1	7/63	3/64	6/65
64-d-2 Additions to administration and computer buildings, Los Alamos Scientific Laboratory	2.4	0.1	5/63	5/64	5/65
64-d-3 Technical area utility improvements, Los Alamos Scientific Laboratory	0.9	0.1	5/63	3/64	1/65
64-d-4 Steam plant addition, Sandia Base, New Mexico	0.7	<u>1/</u>	4/63	2/64	10/64
64-d-5 Test range improve- ments, Tonopah	0.8	<u>1/</u>	4/63	3/64	8/64

1/ Less than \$50,000.

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)
- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 12/31/63</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Weapons - continued</u>					
64-d-6 Base construction, Nevada Test Site	\$ 4.0	\$ 0.1	7/63	3/64	1/65
64-d-7 Manufacturing standards laboratory, Rocky Flats, Colorado	0.7	<u>1/</u>	5/63	3/64	11/64
64-d-8 Instrument maintenance and standards addition, Oak Ridge	0.6	<u>1/</u>	1/63	1/64	12/64
64-d-9 Addition to development laboratory, Y-12 plant, Oak Ridge	1.7	0.1	2/63	2/64	6/65
64-d-10 Occupational health laboratory, Los Alamos Scientific Laboratory	1.7	-	1/64	7/64	9/65
64-d-11 High temperature chemistry facility, Los Alamos Scientific Laboratory	1.4	-	1/64	7/64	12/65
64-d-12 Plutonium research support building, Los Alamos Scientific Laboratory	0.7	-	1/64	6/64	7/65
64-d-13 Radiochemistry building, Lawrence Radiation Laboratory ..	5.9	-	2/64	10/64	6/66
64-d-14 Hazards control addition, Lawrence Radiation Laboratory	1.0	-	1/64	10/64	2/66
64-d-15 Plant engineering and services building, Lawrence Radiation Laboratory	1.4	-	1/64	9/64	5/66

1/ Less than \$50,000.

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)
- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 12/31/63</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Weapons - continued</u>					
64-d-16 West cafeteria addition, Lawrence Radiation Laboratory	\$ 0.3	\$ -	1/64	7/64	8/65
64-d-17 Craft shop addition, Lawrence Radiation Laboratory	0.2	-	1/64	8/64	6/65
64-d-18 Development Laboratory, Sandia Base, New Mexico	3.8	-	2/64	11/64	NS
64-d-19 Explosive facilities, Sandia Base	0.5	-	3/64	7/64	NS
64-d-20 Classified technical reports building, Sandia Base	0.5	-	3/64	7/64	NS
64-d-21 Control point additions, Nevada Test Site	0.6	-	2/64	6/64	2/65

(NS - Not scheduled)

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 12/31/63</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
	(1)	(2)	(3)	(4)	(5)
<u>Reactor Development</u>					
64-e-1 Modifications to reactor facilities ..	\$ 3.0	\$ -	1/64	5/64	Late FY 1966
64-e-2 Fast reactor test facility, NRTS, Idaho	17.0	0.9	12/62	7/64	Late FY '67 or early FY '68
64-e-3 SNAP development and test facilities, Santa Susana, California	0.5	-	4/64	1/65	7/65
64-e-4 Nuclear safety engineering test facilities, NRTS, Idaho	19.4	0.4	6/63	7/64	Late FY '67 or early FY '68
64-e-5 Expansion of expanded core facility, NRTS, Idaho	3.0	0.2	9/62	1/64	10/64
64-e-7 Thorium-uranium fuel cycle development facilities, ORNL	7.3	0.2	1/63	12/64	8/66
64-e-8 Modifications to CANEL facilities, Middletown, Conn.	1.5	-	2/64	4/64	5/65
64-e-9 Research and development test plants for project Rover, LASL and NTS	3.0	<u>1/</u>	5/63	2/64	Mid-FY '66
64-e-10 Modifications to radioactive materials handling facilities, Savannah River	1.0	0.2	1/63	2/64	4/65
64-e-11 High temperature lattic testing reactor, Richland, Washington...	2.5	0.1	6/63	8/64	10/65
64-f-1 Heating plant boiler No. 5, ANL	1.5	0.1	10/62	1/64	3/65
64-105 Spectral shift reactor	30.0	-	<u>2/</u>	<u>2/</u>	<u>2/</u>

1/ Less than \$50,000.

2/ Not scheduled, information will not be available until proposals are received and acted upon.

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 12/31/63</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Physical Research</u>					
64-g-1 Accelerator improvements, LRL	\$ 0.8	\$ -	2/64	4/64	1/66
64-g-2 Accelerator improvements, ANL	0.5	- 1/	8/63	4/64	12/64
64-g-3 Accelerator and reactor additions and modifications, BNL	1.3	-	2/64	4/64	12/65
64-g-4 Tandem Van de Graaff facility, BNL	12.0	-	2/64	4/64	1/67
64-g-5 Accelerator improvements, Cambridge and Princeton accelerators	0.7	-	2/64	4/64	11/64
64-h-1 Modifications and additions to cafeteria, ANL	0.3	-	2/64	5/64	5/65
64-h-2 Steam plant addition, BNL	0.9	- 1/	7/63	5/64	5/65
63-h-1 Low level radio-chemistry laboratory, Hanford, Washington	1.2	0.1	3/63	3/64	7/65
<u>Biology and Medicine</u>					
64-i-1 Low level radiation counting facility for clinical research, BNL...	0.4	- 1/	11/63	5/64	3/65
64-i-2 Additional animal quarters, Lovelace Foundation	0.5	-	10/63	4/64	11/64
64-i-3 Addition to agricultural research laboratory, Oak Ridge ..	0.7	- 1/	2/63	2/64	3/65
64-i-4 Molecular biology laboratory, ORNL	0.3	0.1	4/63	2/64	9/64

1/ Less than \$50,000.

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 12/31/63</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
<u>Community</u>					
64-j-1 Waste distribution system, phase II, White Rock, Los Alamos	\$ 0.6	\$ -	2/64	4/64	NS
64-j-2 Classroom additions, Barranca Mesa Elementary School, Los Alamos ...	0.2	<u>1/</u>	5/63	2/64	8/64
64-j-3 Additional water well, Los Alamos	0.2	-	2/64	5/64	11/64
63-CDF Community disposal project, Los Alamos, New Mexico	8.7 <u>2/</u>	0.1	10/63	2/64	NS

1/ Less than \$50,000.

2/ TEC includes \$4.4 to be obligated after FY 1964.

(NS - Not scheduled)

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial

Unobligated Balances at
December 31, 1963
(In Millions)

<u>Program and Project</u>	<u>Current</u> <u>TEC</u> (1)	<u>Available</u> <u>for</u> <u>Obligation</u> <u>in</u> <u>FY 1964</u> (2)	<u>Amount</u> <u>Obligated</u> <u>in FY 1964</u> (3)	<u>Available</u> <u>for Balance</u> <u>of Year</u> <u>(Col. 2-3)</u> (4)
<u>Special Nuclear Materials</u>				
63-a-3 Radioactive waste disposal facilities Hanford	\$ 4.5	\$ 3.5	\$ 2.5	\$ 1.0
62-a-1 Modifications to production and supporting installations	5.8	1.8	0.1	1.7
61-a-6 Moderator purification improvements, Savannah River	1.7	0.5	-	0.5
59-a-5 New production reactor, Hanford	199.7 ^{1/}	5.1	1.6	3.5
<u>Weapons</u>				
63-c-1 Weapons production, development, and test installations	10.3	5.9	4.8	1.1
63-d-1 Terminal facilities - 115 KV power line, Los Alamos Scientific Laboratory	1.5	0.5	-	0.5

^{1/} Includes \$0.3 million non-fund cost.

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at
December 31, 1963
(In Millions)
- continued -

<u>Program and Project</u>	<u>Current TEC</u>	<u>Available for Obligation in FY 1964</u>	<u>Amount Obligated in FY 1964</u>	<u>Available for Balance of Year (Col. 2-3)</u>
	(1)	(2)	(3)	(4)
<u>Reactor Development</u>				
63-e-2 Modifications to reactors	\$ 2.3	\$ 0.8	\$ -	\$ 0.8
63-e-4 Research and development test plant for Project Rover ...	8.3	3.9	1.4	2.5
62-d-1 Test plant for Project SNAP, Santa Susana, California ...	7.5	1.5	-	1.5
62-d-2 Experimental beryllium oxide reactor, NRTS	8.6	1.1	-	1.1
62-d-3 Fuels recycle pilot plant, Hanford, Washington	5.9	0.6	0.2	0.4
61-d-5 Fast reactor core test installation, LASL	8.0	4.0	2.9	1.1
61-d-7 Test installation for Project Rover	30.1	8.4	2.1	6.3
61-d-9 Advanced test reactor	47.0	13.6	6.2	7.4
60-e-12 Alterations to Shippingport reactor facilities	9.0	0.9	0.2	0.7
60-e-15 Power reactor of advanced design capable of utilizing nuclear superheat	12.1	2.0	0.8	1.2
59-d-10 Flexible experimental prototype gas-cooled reactor ...	53.8	7.4	2.6	4.8

FY 1964 SECOND QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at
December 31, 1963
(In Millions)
- continued -

<u>Program and Project</u>	<u>Current TEC</u> (1)	<u>Available for Obligation in FY 1964</u> (2)	<u>Amount Obligated in FY 1964</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Reactor Development - continued</u>				
58-e-11 Sodium reactor experiment (SRE) modification, Santa Susans	\$ 5.6	\$ 2.6	\$ 0.4	\$ 2.2
58-111 Cooperative projects	54.4 ^{2/}	3.0	0.2	2.8
56-b-2 Fast power breeder pilot facility (EBR-II)	35.8	3.7	1.3	2.4
<u>Physical Research</u>				
61-f-2 Princeton-Pennsylvania accelerator addition	10.8	4.3	-	4.3
61-f-4 High flux isotope reactor	14.7	2.3	1.0	1.3
61-f-7 Linear electron accelerator	114.0 ^{3/}	45.7	8.5	37.2
60-g-3 Transuranium processing plant, ORNL...	8.7	1.5	-	1.5
57-d-1 Zero gradient synchrotron, ANL	51.8	2.8	1.0	1.8

^{2/} TEC includes \$1.5 million to be obligated in FY 1965.

^{3/} TEC includes \$24.0 to be obligated in FY 1965.

UNITED STATES GOVERNMENT

Memorandum

TO : Heads of Divisions and Offices, HQ
Managers of Field Offices

DATE: January 29, 1964

FROM : Hugo N. Eskildson, Chairman
Finance Review Committee
(Div. of Operational Safety, HQ)



SUBJECT: STUDY OF AEC-WIDE FINANCE FUNCTION

In Dwight A. Ink's memorandum of January 27, 1964, you were advised of the appointment of a committee to study the functional requirements in the accounting, budgeting and auditing areas.

The Committee has obtained records from the work of the Administrative Practices Task Force, including submissions from field offices and Headquarters divisions of their ideas of areas suggested for study, which are pertinent to the current study. We request your current views and suggestions on modifications which might be made to the accounting, budgeting and auditing systems which might lead to more effective and economical administration of these functions. (It is not necessary to repeat suggestions made in your earlier submission to the Administrative Practices Task Force although comments based on experience in the interim would be helpful.)

Please forward your suggestions to reach us by February 15, as the Committee is planning a meeting the following week to commence work on such studies as appear warranted from the lists of suggestions received.



1-29-64

Bright 8

UNITED STATES GOVERNMENT

Memorandum

TO : Heads of Divisions and Offices, HQ
Managers of Field Offices

FROM : *Dwight Ink*
Dwight A. Ink
Assistant General Manager

SUBJECT: STUDY OF AEC-WIDE FINANCE FUNCTION

DATE: January 27, 1964

In implementation of the objectives of the President's recent memoranda on economy in the Government, the Office of the General Manager has requested that several studies of functional requirements and related staffing be made.

Several detailed reviews of selected agency-wide functional areas will be undertaken. The purpose of these reviews will be to develop proposals for increasing effectiveness in use of AEC staff by reduction in procedural requirements and less essential activities. The first review, being initiated immediately by the Office of the Controller and the Division of Personnel, will cover the three major finance functional areas of accounting, budgeting, and auditing.

The following committee has been appointed to conduct the review:

Hugo N. Eskildson, Division of Operational Safety, HQ, Chairman
Donald C. Sair, Office of the Controller, HQ
James J. Wise, Savannah River Operations Office
Freda E. McPherson, O & M staff, Division of Personnel, HQ

During the course of the review the committee will collect and analyze information concerning the finance functions being performed by the various divisions and offices both at Headquarters and in field offices. Your cooperation in this project will be appreciated.



*See kept in
dated 9-16-64*

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

1-27-64

~~OFFICIAL USE ONLY~~

Budget 8-Regatta

UNITED STATES GOVERNMENT

Reference Section

Memorandum

TO : John P. Abbadessa, Controller

DATE: January 6, 1964

FROM : W. B. McCool, Secretary

*Original signed
W. B. McCool*

SUBJECT: CONTROLLER'S QUARTERLY FINANCIAL REVIEW AND CONTROLLER'S ANNUAL FINANCIAL REPORT

SECY:GF

1. At Meeting 1982 on January 2, 1964 the Commission noted you would review the figures on plant expenditures and report to the Commission at a later date.

2. The General Manager has directed you to take the action required by the above decision.

- cc:
- Chairman
 - General Manager
 - Deputy General Manager
 - Asst. General Manager
 - General Counsel

*Copy filed
Budget 1964*

~~OFFICIAL USE ONLY~~

1-6-64

UNITED STATES GOVERNMENT

Memorandum

Budget & Rates

TO : Spofford G. English, Assistant
General Manager for Research and Development

DATE: January 6, 1964

FROM : W. B. McCool, Secretary *Original signed
W. B. McCool*

SUBJECT: CONTROLLER'S QUARTERLY FINANCIAL REVIEW AND CONTROLLER'S
ANNUAL FINANCIAL REPORT

SECY:GP

1. At Meeting 1982 on January 2, 1964 the Commission requested a report on the guidance given the laboratories regarding distribution of FY 1964 funds within the Physical Research Program.

2. The General Manager has directed you to take the action required by the above decision.

cc:
Chairman
General Manager
Deputy General Manager
Asst. General Manager
General Counsel
Controller

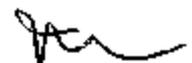
*Copy filed
Budget 1963*

1-6-64

FY 1964 FIRST QUARTER FINANCIAL REVIEW

CAPITAL EQUIPMENT NOT RELATED TO CONSTRUCTION

Office of the Controller
Budget Operations Branch
November 13, 1963



FY 1964 FIRST QUARTER FINANCIAL REVIEW

Capital Equipment Not Related to Construction
(Obligations - In Millions)

SUMMARY

<u>Program</u>	<u>FY 1964 Budget to Congress as Amended</u>	<u>Current FY 1964 Estimate</u>	<u>First Quarter Actual</u>	<u>Available for Balance of Year (Col. 2-3)</u>
Raw Materials	\$ <u>1/</u>	\$ <u>1/</u>	\$ -	\$ <u>1/</u>
Special Nuclear Materials ...	28.9	28.9	2.3	26.6
Weapons	64.7	64.7	3.9	60.8
Reactor Development	28.5	28.5	8.6	19.9
Physical Research	37.1	37.1	4.5	32.6
Biology and Medicine	3.6	3.6	0.3	3.3
Training, Education and Information	0.5	0.5	0.1	0.4
Isotopes	2.2	2.2	0.1	2.1
Plowshare	0.4	0.4	<u>1/</u>	0.4
Community	0.1	0.1	<u>1/</u>	0.1
Administrative	<u>0.6</u>	<u>0.6</u>	<u>1/</u>	<u>0.6</u>
	<u>\$ 166.6</u>	<u>\$ 166.6</u>	<u>\$ 19.8</u>	<u>\$ 146.8</u>

1/ Less than \$50,000.

FY 1964 First Quarter Financial Review
Capital Equipment not Related to Construction
(Obligations - In Millions)

<u>Program and Category</u>	<u>FY 1964 Budget to Congress as amended (1)</u>	<u>Current FY 1964 Estimate (2)</u>	<u>First Quarter Actual (3)</u>	<u>Available for Balance of Year (Col. 2-3) (4)</u>
<u>Raw Materials</u> ^{1/}	\$ -	\$ -	\$ -	\$ -
<u>Special Nuclear Materials</u>				
Feed Materials	2.4	2.6	0.2	2.4
U-235 Production	3.5	4.2	-0.2	4.4
Reactor Products Production ...	14.1	13.5	0.3	13.2
Separations of Irradiated Non- Production Reactor Fuels	0.3	0.3	-	0.3
Process Development	2.3	2.9	0.2	2.7
Other Capital Equipment	6.3	5.4	1.8	3.6
Total Special Nuclear Materials	<u>28.9</u>	<u>28.9</u>	<u>2.3</u>	<u>26.6</u>
<u>Weapons</u>				
Production, Storage, and Surveillance	33.3	28.8	1.1	27.7
Research and Development	18.9	17.3	1.2	16.1
Full Scale Tests	7.0	13.4	0.7	12.7
Special Test Detection Activities	5.5	5.2	0.9	4.3
Total Weapons Program ...	<u>64.7</u>	<u>64.7</u>	<u>3.9</u>	<u>60.8</u>
<u>Reactor Development</u>				
Civilian Power Reactors	6.6	5.0	0.2	4.8
Cooperative Power Reactor Demonstration Program	-	0.2	-	0.2
Merchant Ship Reactors	0.3	0.3	-	0.3
Army Power Reactors	0.4	0.2	-	0.2
Naval Propulsion Reactors	1.8	3.4	2.4	1.0
Rocket Propulsion Reactors ...	2.4	2.5	1.1	1.4
Missile Propulsion Reactors ...	0.2	0.2	-	0.2
Satellite and Small Power Sources	6.7	6.1	0.7	5.4
General Reactor Technology ...	2.2	2.2	0.3	1.9
Advanced Systems R&D	0.7	1.2	-0.1	1.3
Nuclear Safety	1.4	1.4	0.5	0.9
Other Capital Equipment	5.8	5.8	3.5	2.3
Total Reactor Development	<u>28.5</u>	<u>28.5</u>	<u>8.6</u>	<u>19.9</u>

^{1/} Less than \$50,000.

FY 1964 First Quarter Financial Review
Capital Equipment not Related to Construction
(Obligations - In Millions)

-continued-

<u>Program and Category</u>	<u>FY 1964 Budget to Congress as Amended</u>	<u>Current FY 1964 Estimate</u>	<u>First Quarter Actual</u>	<u>Available for Balance of Year (Col. 2-3)</u>
<u>Physical Research</u>				
High Energy Physics	\$ 17.7	\$ 17.6	\$ 4.2	\$ 13.4
Low Energy Physics	7.7	7.9	-1.2	9.1
Mathematics & Computer Research	0.3	0.3	-	0.3
Chemistry	5.2	5.1	0.9	4.2
Metallurgy and Materials	2.5	2.5	0.4	2.1
Controlled Thermonuclear	1.9	1.9	0.1	1.8
Other Capital Equipment	1.8	1.8	0.1	1.7
<u>Total Physical Research .</u>	<u>37.1</u>	<u>37.1</u>	<u>4.5</u>	<u>32.6</u>
<u>Biology and Medicine</u>	<u>3.6</u>	<u>3.6</u>	<u>0.3</u>	<u>3.3</u>
<u>Training, Education and Information</u>				
Training and Education in Physical and Life Sciences and Engineering	0.2	0.2	1/	0.2
Training and Education of Foreign Nationals in Nuclear Science and Technology	0.1	0.1	-	0.1
Technical Information Services	0.2	0.2	0.1	0.1
<u>Total TE&I</u>	<u>0.5</u>	<u>0.5</u>	<u>0.1</u>	<u>0.4</u>
<u>Isotopes Development</u>				
Radioisotope Technology Development	0.1	0.1	-	0.1
Isotopic Power and Heat Sources Development	0.5	0.5	0.1	0.4
Radioisotope Production and Separations Technology	0.4	0.4	-	0.4
Process Radiation Development	0.5	0.5	-	0.5
Radiation Pasteurization of Foods	0.7	0.7	-	0.7
<u>Total Isotopes Development</u>	<u>2.2</u>	<u>2.2</u>	<u>0.1</u>	<u>2.1</u>

1/ Less than \$50,000.

FY 1964 First Quarter Financial Review
Capital Equipment not Related to Construction
(Obligations - In Millions)

-continued-

<u>Program and Category</u>	<u>FY 1964 Budget to Congress as Amended</u>	<u>Current FY 1964 Estimate</u>	<u>First Quarter Actual</u>	<u>Available for Balance of Year (Col. 2-3)</u>
<u>Civilian Applications of</u>				
<u>Nuclear Explosives (Plowshare)</u>	<u>\$ 0.4</u>	<u>\$ 0.4</u>	<u>\$ 1/</u>	<u>\$ 0.4</u>
<u>Community</u>	<u>0.1</u>	<u>0.1</u>	<u>-</u>	<u>0.1</u>
<u>Administrative</u>	<u>0.6</u>	<u>0.6</u>	<u>1/</u>	<u>0.6</u>
<u>Total - All Programs</u>	<u>\$166.6</u>	<u>\$166.6</u>	<u>\$ 19.8</u>	<u>\$146.8</u>

1/ Less than \$50,000.

FY 1964 FIRST QUARTER FINANCIAL REVIEW

CONSTRUCTION PROJECTS

Office of the Controller
Budget Operations Branch
November 13, 1963

dy

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects
(In Millions)

SUMMARY

FY 1964 Appropriation	\$ 259.5
Unobligated balance 6/30/63	146.3
Planned carry-over to FY 1965	<u> -</u>
Available for obligation, FY 1964	405.8
Actual First Quarter obligations, FY 1964	<u> 49.8</u>
Unobligated balance 9/30/63	356.0

Analysis of Unobligated Amount

Projects not started - Table I	191.2
Projects Which Had Substantial Unobligated Balances at 9/30/63 - Table II	108.7
FY 1964 General Plant Projects	34.3
Other Projects (76 projects)	<u> 21.8</u>
Total	<u>\$ 356.0</u>

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 9/30/63</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Raw Materials</u>					
64-k General plant projects	\$ - 1/	\$ -	-	-	-
<u>Special Nuclear Materials</u>					
64-a-1 Modifications to production and supporting installations	5.0	-	NA	NA	NA
64-a-2 Waste fractionization facilities, Richland, Washington	3.7	-	11/63	3/64	12/65
64-a-3 Additional boiler for heating plant, NRTS, Idaho	3.4	-	NA	NA	NA
64-a-4 Additional waste storage facilities, Savannah River	7.7	-	NA	NA	NA
64-b-1 Additional boiler for heating plant, Richland Washington	0.7	1/	8/63	2/64	11/64
63-a-1 Modifications to production and supporting installations	5.0	1/	9/63	11/64	11/65
63-b-1 Consolidated service facility, Hanford	1.0	0.1	1/63	11/63	12/64
63-b-2 Additional high-level waste storage tanks, Savannah River	6.0	3.6	3/62	NA	NA
63-b-3 Health physics headquarters, Savannah River	1.0	1.0	3/62	11/63	8/64
62-a-2 Fission product recovery phase II, Hanford	1.5	0.3	7/63	11/63	11/64
62-a-4 Solvent purification installation, Savannah River	0.5	-	NS	NS	NS

1/ Less than \$50,000.

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I. Projects Not Started
(In Millions)
- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 9/30/63</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>		
				<u>Start</u> (4)	<u>Completion</u> (5)	
<u>Weapons</u>						
64-c-1 Weapons production, development and test installations	\$ 10.0	\$ 0.1	various	various	various	
64-c-2 Explosive component plant, Mound Laboratory	1.6	0.1	5/63	12/63	10/64	
64-c-3 Radiography facility, Sandia Base, New Mexico	0.3	<u>1/</u>	6/63	1/64	7/64	
64-c-4 Nuclear safety facility, Rocky Flats, Colorado	1.5	<u>1/</u>	7/63	4/64	11/64	
64-c-5 Fabrication building addition, Rocky Flats, Colorado	2.1	-	10/63	7/64	8/65	
64-d-1 Theoretical and computations building, Lawrence Radiation Laboratory	3.5	<u>1/</u>	6/63	3/64	12/65	
64-d-2 Additions to administration and computer buildings, Los Alamos Scientific Laboratory ...	2.4	<u>1/</u>	5/63	3/64	1/65	
64-d-3 Technical area utility improvements, Los Alamos Scientific Laboratory	0.9	0.1	5/63	1/64	10/64	
64-d-4 Steam plant addition, Sandia Base, New Mexico .	0.7	<u>1/</u>	4/63	12/63	8/64	
64-d-5 Test range improvements, Tonopah	0.8	<u>1/</u>	4/63	1/64	8/64	

1/ Less than \$50,000.

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started
(In Millions)
- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u> (1)	<u>Oblig. thru 9/30/63</u> (2)	<u>Title I Design Start</u> (3)	<u>Construction</u>	
				<u>Start</u> (4)	<u>Completion</u> (5)
<u>Weapons - continued</u>					
64-d-6 Base construction, Nevada Test Site	\$ 4.0	\$ 0.1	7/63	3/64	11/64
64-d-7 Manufacturing standards laboratory, Rocky Flats, Colorado	0.7	<u>1/</u>	5/63	3/64	11/64
64-d-8 Instrument maintenance and standards addition, Oak Ridge	0.6	<u>1/</u>	1/63	NA	NA
64-d-9 Addition to development laboratory, Y-12 plant, Oak Ridge	1.7	0.1	2/63	NA	NA
64-d-10 Occupational health laboratory, Los Alamos Scientific Laboratory	1.7	-	Requested in FY 1964 amendment		
64-d-11 High temperature chemistry facility, Los Alamos Scientific Laboratory	1.4	-	Requested in FY 1964 amendment		
64-d-12 Plutonium research support building, Los Alamos Scientific Laboratory	0.7	-	Requested in FY 1964 amendment		
64-d-13 Radiochemistry building, Lawrence Radiation Laboratory	5.9	-	Requested in FY 1964 amendment		
64-d-14 Hazards control addition, Lawrence Radiation Laboratory	1.0	-	Requested in FY 1964 amendment		
64-d-15 Plant engineering and services building, Lawrence Radiation Laboratory	1.4	-	Requested in FY 1964 amendment		

1/ Less than \$50,000.

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)
- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/63</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
	(1)	(2)	(3)	(4)	(5)
<u>Weapons - continued</u>					
64-d-16 West cafeteria addition, Lawrence Radiation Laboratory...	\$ 0.3	\$ -	-	Requested in FY 1964 amendment	
64-d-17 Craft shop addition, Lawrence Radiation Laboratory	0.2	-	-	Requested in FY 1964 amendment	
64-d-18 Development Laboratory, Sandia Base, New Mexico	3.8	-	-	Requested in FY 1964 amendment	
64-d-19 Explosive facilities, Sandia Base	0.5	-	-	Requested in FY 1964 amendment	
64-d-20 Classified technical reports building, Sandia Base	0.5	-	-	Requested in FY 1964 amendment	
64-d-21 Control point additions, Nevada Test Site	0.6	-	-	Requested in FY 1964 amendment	
63-c-2 Addition to special metallurgical facility, Mound Laboratory	0.5	0.2	2/63	11/63	B/64

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/63</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
	(1)	(2)	(3)	(4)	(5)
<u>Reactor Development</u>					
64-e-1 Modifications to reactor facilities....	\$ 3.0	\$ -	NA	NA	NA
64-e-2 Fast reactor test facility, NRTS, Idaho	17.0	0.5	12/62	12/63	10/66
64-e-3 SNAP development and test facilities, Santa Susana, California	0.5	-	7/64	1/65	7/65
64-e-4 Nuclear safety engineering test facilities, NRTS, Idaho	19.4	0.4	6/63	3/64	5/66
64-e-5 Expansion of expended core facility, NRTS, Idaho	3.0	0.2	9/62	11/63	8/64
64-e-6 Support facilities for advanced space power systems, NRTS, Idaho ..	1.8	0.1	NS	NS	NS
64-e-7 Thorium-uranium fuel cycle-dev. facilities, ORNL	7.3	0.2	1/63	1/64	5/66
64-e-8 Modifications to CAVERL facilities, Middletown, Conn.	1.5	--	12/63	2/64	2/65
64-e-9 Research and development test plants for project Rover, LANS and NTS	3.0	--	5/63	12/63	12/65
64-e-10 Modifications to radioactive materials handling facilities, Savannah River	1.0	0.1	1/63	12/63	4/65
64-e-11 High temperature lattice testing reactor, Richland, Washington...	2.5	-	6/63	7/64	7/65
64-E-1 Heating plant boiler No. 5, ANL	1.5	0.1	10/62	12/63	3/65
64-105 Spectral shift reactor	30.0	-	NS	NS	NS

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects
I Projects Not Started
(In Millions)
- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/63</u>	<u>Title I Design Start</u>	<u>Construction</u>	
				<u>Start</u>	<u>Completion</u>
	(1)	(2)	(3)	(4)	(5)
<u>Physical Research</u>					
64-g-1 Accelerator improvements, LRL	\$ 0.8	\$ -	1/64	2/64	1/66
64-g-2 Accelerator improvements, ANL	0.5	- 1/	8/63	1/64	10/64
64-g-3 Accelerator and reactor additions and modifications, BNL ...	1.3	-	12/63	NA	12/65
64-g-4 Tandem Van de Graaff facility, BNL	12.0	-	1/64	9/64	5/65
64-g-5 Accelerator improvements, Cambridge and Princeton accelerators	0.7	-	11/63	12/63	12/64
64-h-1 Modifications and additions to cafeteria, ANL	0.3	-	1/64	9/64	5/65
64-h-2 Steam plant addition, BNL	0.9	- 1/	7/63	5/64	5/65
63-h-1 Low level radio-chemistry laboratory, Hanford, Washington....	1.2	0.1	3/63	11/63	11/64
63-h-3 Corporation yard, LRL	1.0	1.0	5/63	11/63	9/64
<u>Biology and Medicine</u>					
64-i-1 Low level radiation counting facility for clinical research, BNL...	0.4	-	11/63	5/64	3/65
64-1-2 Additional animal quarters, Lovelace Foundation	0.5	- 1/	10/63	4/64	12/64
64-1-3 Addition to agricultural research laboratory, Oak Ridge ...	0.7	- 1/	2/63	11/63	12/64
64-1-4 Molecular biology laboratory, ORNL	0.3	0.1	4/63	NS	NS
62-1-3 Controlled environmental laboratory, BNL	1.8	0.2	8/62	10/63	3/65
1/ Less than \$50,000.		-7-			

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

I Projects Not Started

(In Millions)

- continued -

<u>Program and Project</u>	<u>Total Estimated Cost</u>	<u>Oblig. thru 9/30/63</u>	<u>Title I Design Start</u>	<u>Construction</u>		
				<u>Start</u>	<u>Completion</u>	
<u>Community</u>						
64-j-1 Water distribution system, phase II, White Rock, Los Alamos	\$ 0.6	\$ -	10/63	1/64	12/64	
64-j-2 Classroom additions, Barranca Mesa Elementary School, Los Alamos	0.2	<u>1/</u>	5/63	12/63	6/64	
64-j-3 Additional water well, Los Alamos	0.2	-	NA	NA	NA	
63-R-3 Additional water well, Los Alamos	0.2	<u>1/</u>	1/63	10/63	6/64	

1/ Less than \$50,000.

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at
September 30, 1963
(In Millions)

<u>Program and Project</u>	<u>Current TEC</u> (1)	<u>Available for Obligation in FY 1964</u> (2)	<u>Amount Obligated in FY 1964</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Special Nuclear Materials</u>				
63-a-3 Radioactive waste disposal facilities Hanford	\$ 4.5	\$ 3.5	\$ 1.8	\$ 1.7
62-a-1 Modifications to production and supporting installations	5.8	1.8	0.2	1.6
61-a-6 Moderator purification improvements, Savannah River	2.4	1.2	-	1.2
60-a-6 Water plant expansion, 100K Area, Hanford	4.5	1.2	-	1.2
59-a-1 Plant modifications for processing non- production spent fuels ..	10.0	5.4	-	5.4
59-a-5 New production reactor, Hanford:	199.7 ^{1/}	5.5 ^{1/}	<u>2/</u>	5.5 ^{1/}
<u>Weapons</u>				
63-c-1 Weapons production, development, and test installations	10.2	5.8	2.2	3.6
63-c-5 Specialized plant additions and modifications, phase II, Oak Ridge, Tennessee	2.7	0.5	-	0.5
63-d-1 Terminal facilities - 115 KV power line, Los Alamos Scientific Laboratory	2.0	1.0	-	1.0

^{1/} Includes \$0.3 million non-fund cost.

^{2/} Less than \$50,000.

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at
September 30, 1963
(In Millions)
- continued -

<u>Program and Project</u>	<u>Current TEC</u>	<u>Available for Obligation in FY 1964</u>	<u>Amount Obligated in FY 1964</u>	<u>Available for Balance of Year (Cal. 2-3)</u>
<u>Reactor Development</u>				
63-a-2 Modifications to reactors	\$ 5.0	\$ 3.4	\$ -	\$ 3.4
63-e-4 Research and development test plant for Project Rover	8.3	3.9	0.8	3.1
62-d-1 Test plant for Project SNAP, Santa Susana, California	7.5	1.5	-	1.5
62-d-2 Experimental beryllium oxide reactor, NETS	8.0	0.5	-	0.5
62-d-3 Fuels recycle pilot plant, Hanford, Washington	5.9	0.6	0.1	0.5
61-d-5 Fast reactor core test installation, LASL	8.0	4.0	2.9	1.1
61-d-7 Test installation for Project Rover	30.1	8.4	2.1	6.3
61-d-9 Advanced test reactor	47.0	13.6	0.4	13.2
60-e-11 Natural circulation test plant, NETS	18.5	1.5	0.7	0.8
60-e-12 Alterations to Shippingport reactor facilities.....	9.0	0.9	0.1	0.8
59-d-10 Flexible experimental prototype gas-cooled reactor ...	51.3	4.8	0.1	4.7
58-e-11 Sodium reactor experiment (SRE) modification, Santa Susana	4.7	1.7	0.4	1.3

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Construction Projects

II Projects Which Had Substantial
Unobligated Balances at
September 30, 1963

<u>Program and Project</u>	<u>Current TEC</u> (1)	<u>Available for Obligation in FY 1964</u> (2)	<u>Amount Obligated in FY 1964</u> (3)	<u>Available for Balance of Year (Col. 2-3)</u> (4)
<u>Reactor Development - cont'd</u>				
58-111 Cooperative projects	\$ 53.5 ^{1/}	\$ 2.1	\$ 0.2	\$ 1.9
56-b-2 Fast power breeder pilot facility (EBR-II)	35.8	3.7	1.3	2.4
<u>Physical Research</u>				
61-f-2 Princeton-Pennsylvania accelerator addition ...	10.8	4.3	-	4.3
61-f-4 High flux isotope reactor	13.7	1.2	0.7	0.5
61-f-7 Linear electron accelerator.....	114.0 ^{2/}	45.7	8.5	37.2
60-g-3 Transuranium processing plant, ORNL..	8.7	1.5	0.1	1.4
57-d-1 Zero gradient synchrotron, ANL	51.8	2.8	1.0	1.8
<u>Isotopes Development</u>				
63-j-2 Marine products development irradiator ..	0.6	0.4	0.1	0.3

^{1/} TEC includes \$1.5 million to be obligated in FY 1965.

^{2/} TEC includes \$24.0 to be obligated in FY 1965.

FY 1964 FIRST QUARTER FINANCIAL REVIEW

Operating Expenses
(In Millions)

<u>Program</u>	<u>Approved Budget</u>	<u>FY 1964 Budget Submitted to Congress as Amended</u>	<u>FY 1964 Current Estimate</u>	<u>First Quarter Actual</u>	<u>Available for Balance of Year (Col. 2-3)</u>
Raw Materials	\$ 320.0	\$ 324.8	\$ 324.8	\$ 98.8	\$ 226.0
Special Nuclear Materials	475.0	480.5	480.5	114.5	366.0
Weapons	782.9	782.9	782.9	165.4	617.5
Reactor Development .	508.5	530.5	530.5	112.5	418.0
Physical Research ...	197.1	219.1	219.1	43.3	175.8
Biology and Medicine	71.6	77.0	77.0	14.7	62.3
Training, Education and Information ...	15.9	17.2	17.2	2.6	14.6
Isotopes Development	8.4	9.3	9.3	1.4	7.9
Plowshare	13.5	15.1	15.1	1.8	13.3
Community	10.1	10.1	10.1	1.7	8.4
Program Direction and Administration ...	72.6	73.5	73.5	17.1	56.4
Security Investigations	7.0	7.0	7.0	1.7	5.3
Cost of Work for Others Adjustments to Prior Year Costs	6.2	6.2	6.2	0.9	5.3
	-	-	-	-0.5	0.5
Total Costs	2,488.8	2,553.2	2,553.2	575.9	1,977.3
Revenues Applied ...	-32.0	-32.0	-32.0	-4.9	-27.1
Net Costs	\$2,456.8	\$2,521.2	\$2,521.2	\$ 571.0	\$1,950.2

Handed out at mtg.

[Signature]
1/2/64

Percentage of Costs Incurred during the First
Quarter to Costs for the Entire Fiscal Year
Fiscal Years 1961 - 1964

	<u>Approved Budget</u>	<u>FY 1964</u>	<u>Average FY 1961- 1963</u>	<u>FY 1963</u>	<u>FY 1962</u>	<u>FY 1961</u>
Operating Costs:		<u>1/</u>				
Raw Materials	% 30.9	% 30.4	% 26.4	% 27.2	% 24.9	% 27.2
Special Nuclear Materials	24.1	23.8	24.7	24.4	25.0	24.8
Weapons	22.5	22.5	20.9	23.5	17.6	22.0
Reactor Development	22.1	21.2	21.4	21.4	20.6	22.3
Physical Research	21.9	19.8	21.6	21.6	21.7	21.4
Biology and Medicine ...	20.5	19.0	19.0	18.5	19.4	19.3
Training, Education and Information	16.3	15.0	15.5	17.3	15.0	14.6
Isotopes Development ...	17.3	15.6	20.2	23.3	17.3	21.6
Flowsare	13.4	12.0	20.0	14.6	21.3	23.9
Community	17.3	17.3	17.0	18.2	20.2	13.3
Program Direction and Administration	23.6	23.4	23.8	23.1	23.6	24.7
Security Investigations	24.1	24.1	21.4	23.5	16.9	23.1
Cost of Work for Others .	<u>15.0</u>	<u>15.0</u>	<u>15.6</u>	<u>16.8</u>	<u>17.4</u>	<u>12.3</u>
Total Costs	23.6	23.0	23.1	23.6	21.8	24.0
Revenues Applied	<u>15.3</u>	<u>15.3</u>	<u>17.2</u>	<u>16.1</u>	<u>17.8</u>	<u>17.3</u>
Net Costs	<u>23.7</u>	<u>23.1</u>	<u>23.2</u>	<u>23.7</u>	<u>21.9</u>	<u>24.0</u>

1/ Percent of First Quarter actual costs to current FY 1964 estimate.

Financial

Budget - ~~to~~ - ~~for~~ Secretary's

Report 1963

UNITED STATES
AEC ENERGY COMMISSION
WASHINGTON 25, D. C.

DEC 3 1963

ASSISTANT COMMISSIONER WILSON
A. Ink
GER

1963 FINANCIAL REPORT

sincerely for your comments and suggestions
Financial Report. We are making a conscious
the report from year to year and to make it
the reader. Obviously, a reader's reaction
of information on how to make this improve-
appreciate the fact that a busy Commissioner
participate in this effort.

Your suggestions to make the bar charts for 1963 the same width
as those for the other years and to change the sequence of years
in the tabulated material are excellent suggestions and will be
taken into account in planning the presentation of the 1964
report.

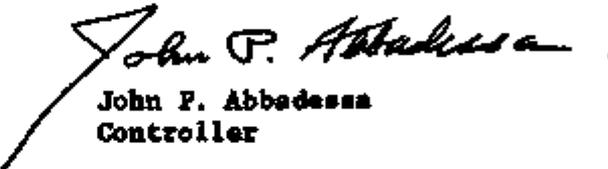
During the preparation of the report, we checked on the reason
for the decrease in materials leased in FY 1963 as compared
with 1962 and the causes of the decrease in sales of isotopes.
The decrease in the amount shown for leased materials occurred
because of a decrease in the sales value of the leased material
amounting to \$5 million effective July 1, 1962, and because of
large decreases in materials in the hands of Yankee, PRDC and
Consolidated Edison. Other increases and decreases were largely
offsetting. We found, too, that the impact of the Commission's
conscious effort to divert more isotope sales to commercial
organizations had not yet been felt to any great extent in
FY 1963 and that the decrease in sales for the year was due
principally to reductions in prices. We will certainly keep
this very important aspect in mind and will use it as an
explanation in the first reporting period where it becomes a
factor.

12-5-63

We agree that the location of the American Museum of Atomic Energy should have been shown.

For many years we have been furnishing the amount of costs incurred by AEC in specific states in response to requests by various members of Congress. Because of the increasing number of such requests, we have included a tabulation of costs incurred by states in the annual Financial Report. Apparently it has been very well received. It is not the intent to show where the money was eventually spent nor, in our opinion, would it be reasonably possible to do this without a very considerable expenditure of effort and cost on the part of our contractors and offices because of the successive layers of subcontractors and their various suppliers.

Your comments have been very helpful and I hope that you will continue to give us the benefit of your ideas and suggestions for improving our reports.


John P. Abbadessa
Controller

UNITED STATES GOVERNMENT

Memorandum

~~SECRET~~
~~CONFIDENTIAL~~

Bud 4th - 63

Reference Section

TO : File

DATE: October 2, 1963

FROM : *James P. Gibson*
Recording Secretary
Meeting Branch

SUBJECT: FY 1963 FINANCIAL SUMMARY (OPERATING EXPENSES AND PLANT ACQUISITION AND CONSTRUCTION)

Attached is a copy of the FY 1963 financial summary which was discussed at Meeting 1958 on August 28, 1963.

Attachments:

- (1) FY 1963 Financial Summary (Operating Expenses)
Secret/RD
- (2) FY 1963 Financial Summary (Plant Acquisition and Construction)

WITHOUT ENCL ATTACHMENTS
 CONFIRMED TO BE UNCLASSIFIED
 D.O. OFFICE OF DECLASSIFICATION
 D. R. GIBSON, A.D.D. DATE
DRG 8-24-99

When separated from enclosure, handle this document as

~~OFFICIAL USE ONLY~~
(Insert proper classification)

~~SECRET~~
~~CONFIDENTIAL~~

10-2-63

1958

FY 1963 FINANCIAL SUMMARY

PLANT ACQUISITION AND CONSTRUCTION
(Based on Preliminary Data)

Office of the Controller
Budget Operations Branch
August 26, 1963

FY 1963 Financial Summary
 Plant Acquisition and Construction
 (Based on Preliminary Data)
 (\$ in millions)

Summary

FY 1963 Appropriation	\$ 262.7
Unobligated balance 6/30/62.....	135.7
Planned carry-over to FY 1964	<u>-6.3</u>
Available for obligation, FY 1963	392.1
Actual FY 1963 Obligations	<u>253.6</u>
Additional unobligated funds 6/30/63	138.5

Analysis of Unobligated Amount

Projects not started Table I	22.0
Projects Which Had Substantial Unobligated Balances at 6/30/63 - Table II	101.3
FY 1963 General Plant Projects	2.5
Other projects (over 150 projects)	<u>12.7</u>
Total	<u>138.5</u>

FY 1963 FINANCIAL SUMMARY

Plant Acquisition and Construction

I Projects Not Started
(In Millions)

<u>Program and Project</u> (1)	<u>Total Estimated Cost</u> (2)	<u>Oblig. thru 6/30/63</u> (3)	<u>Title I Design Start</u> (4)	<u>Construction</u>	
				<u>Start</u> (5)	<u>Completion</u> (6)
<u>Special Nuclear Materials</u>					
63-a-1, Modifications to production and supporting installations	\$ 5.0	\$ -	8/63	11/63	11/64
63-b-1, Consolidated service facility, Richland	1.0	<u>1/</u>	1/63	11/63	12/64
63-b-2, Additional high level waste storage tanks, Savannah River	6.0	3.6	3/62	NA	NA
63-b-3, Health physics Headquarters addition, Savannah River	1.0	1.0	3/62	11/63	11/64
62-a-2, Fission product recovery, Phase II, Richland	1.5	0.1	3/63	10/63	10/64
62-a-4, Solvent purification installation, Savannah River	0.5	-	-	-	-
<u>Weapons</u>					
63-c-2, Addition to special metallurgical facility, Mound Laboratory	0.5	<u>1/</u>	2/63	9/63	5/64
<u>Reactor Development</u>					
63-e-2, Modifications to reactors	5.0	1.5	6/63	7/63	10/64

1/ Less than \$50,000

FY 1963 FINANCIAL SUMMARY

Plant Acquisition and Construction

I Projects Not Started
(In Millions)

-continued-

<u>Program and Project</u> (1)	<u>Total Estimated Cost</u> (2)	<u>Oblig. thru 6/30/63</u> (3)	<u>Title I Design Start</u> (4)	<u>Construction</u>	
				<u>Start</u> (5)	<u>Completion</u> (6)
<u>Physical Research</u>					
63-h-1, Low level radiochemistry laboratory, Richland	\$ 1.2	\$ 0.1	3/63	11/63	11/64
63-h-3, Corporation yard, LRL	1.0	1.0	8/62	8/63	8/64
63-h-5, Building addition for physics and mathematics, BNL ...	5.0	0.3	9/62	9/63	8/65
<u>Biology and Medicine</u>					
62-i-3, Controlled environmental radiation laboratory, BNL	1.8	0.1	8/62	9/63	2/65
<u>Community</u>					
63-k-3, Additional water well, Los Alamos	0.2	<u>1/</u>	1/63	9/63	3/64
Total	29.7	7.7			

1/ Less than \$50,000.

FY 1963 FINANCIAL SUMMARY
Plant Acquisition and Construction

II Projects Which had Substantial
Unobligated Balances at
June 30, 1963
(In Millions)

<u>Program and Project</u>	<u>Current TEC</u>	<u>Oblig. thru 6/30/63</u>	<u>Unobligated Balance</u>	<u>Estimated Completion Date</u>	
<u>Special Nuclear Materials</u>					
63-a-3	Radioactive waste disposal facilities, Richland, Washington	\$ 4.5	\$ 1.0	\$ 3.5	12/64
62-a-1	Modifications to production & supporting installations.....	5.8	4.0	1.8	6/64
59-a-1	Plant modifications for processing non-production spent fuels.....	9.1	4.6	4.5	9/63
59-a-5	New production reactor.....	199.7	194.6	5.1	3/64
<u>Weapons</u>					
63-c-1	Weapons production, development & test installations.....	10.2	4.4	5.8	11/64
63-c-10	Processing facilities, Rocky Flats, Colorado	3.4	2.0	1.4	6/64
62-c-1	Weapons production, development & test installations.....	15.0	12.6	2.4	7/64
63-d-1	Terminal facilities - 115 KV power line - LASL	2.0	1.0	1.0	6/64
63-d-3	Engineering building addition, LRL, Livermore.....	4.0	0.8	3.2	7/63

FY 1963 FINANCIAL SUMMARY
Plant Acquisition and Construction

II Projects Which had Substantial
Unobligated Balances at
June 30, 1963 - continued
(In Millions)

<u>Program and Project</u>	<u>Current TEC</u>	<u>Oblig. thru 6/30/63</u>	<u>Unobligated Balance</u>	<u>Estimated Completion Date</u>
Reactor Development				
63-e-1 Housing for lithium-cooled reactor experiment.....	\$ 6.3	\$ 5.8	\$ 0.5	-
63-e-4 Research and development test plants for Project Rover.	8.3	4.4	3.9	3/65
62-d-1 Test plant for Project SNAP, Santa Susana	7.5	6.5	1.0	-
62-d-2 Experimental beryllium oxide reactor, NRTS	8.0	7.5	0.5	11/64
62-d-3 Fuels recycle pilot plant, Richland...	5.9	5.3	0.6	6/65
61-d-5 Fast core test installation, LASL.....	8.0	4.0	4.0	5/66
61-d-7 Test installation for Project Rover.....	30.0	21.6	8.4	7/65
61-d-9 Advanced test reactor	47.0	33.4	13.6	11/64
60-e-11 Natural circulation test plant, NRTS..	18.5	16.9	1.6	7/64
60-e-12 Alterations to Shippingport.....	9.0	8.1	0.9	Late 1964
59-d-10 Experimental gas-cooled reactors...	51.3	46.7	4.6	10/64
58-e-11 Sodium reactor experiment (SRE) modification, Santa Susana.....	4.7	3.0	1.7	8/65
56-b-2 Fast power breeder pilot facility, EBR-II	35.8	32.1	3.7	12/63
58-111 Coop. Projects.....	51.3	49.8	1.5	-
Elk River.....	10.3	9.7	0.6	Mid FY 1964
Piqua.....	9.0	8.1	0.9	Mid FY 1964
Hollam.....	32.0	32.0	-	10/63

FY 1963 FINANCIAL SUMMARY

Plant Acquisition and Construction

II Projects Which had Substantial
Unobligated Balances at

June 30, 1963

(In Millions)

- continued-

<u>Program and Project</u>	<u>Current TEC</u>	<u>Oblig. thru 6/30/63</u>	<u>Unobligated Balance</u>	<u>Estimated Completion Date</u>
<u>Physical Research</u>				
62-g-2, Chemistry laboratory, BNL,	\$ 6.0	\$ 1.5	\$ 4.5	5/65
61-f-2, Princeton-Penn accelerator addition ...	10.8	6.6	4.2	9/64
61-f-4, High flux isotope reactor, ORNL	13.7	12.5	1.2	1/65
61-f-7, Linear electron accelerator	114.0	44.3	9.7 ^{1/}	7/66
60-g-3, Transuranium processing plant, ORNL,	8.7	7.0	1.7	12/65
59-e-11, High flux research reactor, BNL,	12.5	11.8	0.7	4/64
57-d-1, Zero gradient synchrotron, ANL	51.8	48.7	3.1	12/63
<u>Isotopes Development</u>				
63-j-2, Marine products development irradiator, New York	0.6	0.2	0.4	6/64
<u>Community</u>				
63-k-1, White Rock Elementary School, Los Alamos, New Mexico	0.6	<u>2/</u>	<u>0.6</u>	7/64
Total	764.0	602.7	101.3	

^{1/} In addition \$36.0 million is scheduled for new appropriation in FY 1964 and \$24.0 million in FY 1965.

^{2/} Less than \$50,000.

Handwritten notes in Arabic script, including "للجنة" and "مراجعة".

Budget-8

10

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

Handwritten initials or signature.

OFFICE OF
THE DIRECTOR

APR 26 1963

Honorable Glenn T. Seaborg
Chairman
Atomic Energy Commission
Washington 25, D. C.

Dear Mr. Chairman: *Glenn*

I wish to draw your personal attention to the enclosed special report by the Bureau of the Budget entitled Cost Reduction Through Better Management in the Federal Government.

Two points, in particular, need to be stressed regarding the report. First, it gives specific details about cost-reduction efforts throughout the Government, demonstrating that this Administration can point to notable accomplishments in management improvement. Secondly, the report should serve as a stimulus to each department and agency to intensify its own efforts to find more economical ways of doing its job.

I urge you to bring the report to the attention of your key officials, both in Washington and in the field, and to give personal leadership to the pursuit of further efficiency gains in your agency. In the light of our budgetary problem, it seems to me a matter of the highest importance that this Administration continue to build an impressive record of managerial excellence.

Sincerely,

Hermit Gordon

HERMIT GORDON
Director

Enclosure

41-2663

UNITED STATES GOVERNMENT

Memorandum

TO : **File**

DATE: **April 2, 1963**

FROM : **W. B. McCool, Secretary** *WBM*

SUBJECT: **CONTROLLER GENERAL'S REPORT ON AMP AND OTHER PROGRAMS**

SECY:JFG

At Information Meeting 261 on March 29, 1963, the General Manager, in response to Commissioner Palfrey's request, said no formal Commission consideration of the Controller General's Report on AMP and Other Programs is considered necessary. However, staff undertakes appropriate review of and action on this and similar reports.

cc:

Chairman

Commissioner Palfrey

General Manager

Deputy General Manager

Asst. Gen. Mgr.

Controller

W.B.M.

UNITED STATES GOVERNMENT

Memorandum

TO : John P. Abbadessa, Controller

DATE: November 5, 1962

FROM : W. B. McCool, Secretary ^{Original signed}
W. B. McCool

SUBJECT: FUTURE REPORTS OF QUARTERLY FINANCIAL STATUS

SECY: JCH

1. You will recall that at Meeting 1386 on October 31, 1962 during your Financial Review of the First Quarter of FY 1963, Commissioner Haworth requested that future reports of quarterly financial status contain additional columns for percentages by program of total annual funds which have been spent during the current quarter and the corresponding quarter of prior years.

2. The Commission also noted with interest that your office is preparing a report on comparative costs for facilities and for standby maintenance.

3. The General Manager has directed you to take the action required by the above request.

cc:
Chairman
Commissioner Haworth
General Manager
Deputy General Manager
Asst. General Manager

UNITED STATES GOVERNMENT

Memorandum

TO: Russell S. Poor, Director
Division of Nuclear Education and Training

DATE: August 13, 1962

FROM: Harold D. Anamosa, Acting Secretary *Original s.i.*
H. D. Anamosa

SUBJECT: REPORT ON TRAINING, EDUCATION AND INFORMATION UNDERRUN

SYMBOL: SECY:JCH

1. We informed your office on August 13, 1962, that at Meeting 1864 on August 8 during discussion of the Controller's FY 1962 Fourth Quarter Review the Commission requested a report on the \$1.3 million underrun in FY 1962 operating expenses in the Training, Education and Information Program.

2. The General Manager has directed you to take the action required by the above request.

- cc:
- Chairman
 - General Manager
 - Deputy General Manager
 - Asst. General Manager
 - Asst. Gen. Mgr. for Research and Development
 - General Counsel
 - Controller

*copy filed
8/15/62*

8/13/62

UNCLASSIFIED

FY 1962 Third Quarter Financial Review
(\$ in Millions)

PLANT ACQUISITION AND CONSTRUCTION

FY 1962 Appropriation	\$ 195.4 ✓
Unobligated balance 6/30/61	160.8 ✓
Planned carryover to FY 1963	<u>- 27.5</u> ✓
Available for obligation - FY 1962	328.7
Obligations - First six months - FY 1962	117.6
Third quarter - FY 1962	<u>33.6</u>
Available for obligation in 4th quarter	<u>177.5*</u>
Projects not started - Table I	\$ 72.3
Other projects - Table II	<u>105.2 **</u>
	<u>177.5</u>

* Of this amount, \$18.2 million was obligated in April.

** Includes an unobligated balance at 3/31/62 of \$10.5 million for fiscal year 1962 general plant projects.

MAY 31 1962

PLANT ACQUISITION AND CONSTRUCTION

I. PROJECTS NOT STARTED

Program and Project	(\$ in millions)		Title I Design Start	Construction	
	Authorized Amount	Oblig. thru 3/31/62		Start *	Completion
<u>Special Nuclear Materials</u>					
62-a-2 Fission product re- covery, phase II, Hanford, Wash. . .	\$ 1.5	\$ -	6-62	9-62	6-64
62-a-4 Solvent purification installation, Savannah River, S.C.	0.5	-	NA	NA	NA
62-a-5 Additional reactor confinement, Savannah River, S. C.	3.0 ^{a/}	0.2	12-60	NA	NA
<u>Weapons</u>					
62-c-3 Tandem Van de Graaff facility, Los Alamos	3.5	2.1	1-62	8-62	12-63
<u>Reactor Development</u>					
62-d-3 Fuels recycle pilot plant, Hanford, Wash.	5.0	0.4	3-61	7-62	12-63
62-d-4 High radiation level analytical labora- tory, ORNL, Tenn. . .	2.5	0.5	3-61	4-62	11-63
62-d-5 Improvements to radio- active liquid waste system, ORNL, Tenn. . .	1.7	0.6	3-61	6-62	5-64
62-d-7 Ultra high temperature reactor experiment building, LASL, N. M.	3.5	1.4	9-61	4-62	6-63
62-e-1 Additional transient housing, ANL, Ill. . .	0.3	0.03	4-62	7-62	3-63
62-e-2 Technical services building, MRTS, Idaho	1.5	0.1	5-61	7-62	10-63
62-e-3 Instrumentation and health physics building BNL, New York	2.0	0.1	11-61	6-62	12-63
61-d-5 Fast reactor core test instatllation, LASL..	6.9	4.0	8-61	7-62	6-64
61-d-10 Power reactor for Antarctica (Byrd Station)	7.0	0.5	9-61	NA	NA
60-110 Cooperative power reactor demonstra- tion program: LaCrosse	11.2	-	11-61		
					Revised justification data sheet submitted to JCAE ^{b/}

* Site excavation or major procurement or fabrication.

^{a/} Amended authorization of \$12. million being requested.

^{b/} JCAE waived remainder of 45-day period on May 24, 1962.

I. PROJECTS NOT STARTED - continued

		(\$ in millions)		Title I Design Start	Construction	
		Authorized Amount	Oblig. thru 3/31/62		Start *	Completion
<u>Physical Research</u>						
62-f-1	Modification to CP-5 reactor and low energy accelerator, ANL	\$ 1.6	\$ 0.7	11-61	8-62	7-63
	Accelerator			11-61	8-62	6-63
	CP-5 building addn.					
62-g-1	High energy physics building, ANL	6.9	0.9	9-61	6-62	12-63
62-g-2	Chemistry laboratory, BNL	6.0	0.3	11-61	6-62	9-64
62-g-3	Cosmotron laboratory addition, BNL	0.5	0.1	11-61	8-62	3-63
62-g-4	Mechanical shops, LRL	2.6	2.6	1-62	7-62	8-63
61-f-7	Linear electron accelerator	114.0	2.7	2-61	(11-61 * (5-62	7-67
60-g-3	Transuranium lab., ORNL	1.2 ^{a/}	0.2	12-61	(10-62 * (5-63	10-65
<u>Biology and Medicine</u>						
62-h-1	Laboratory for mixed fission products, ALOC	2.0	0.1	6-61	5-62	6-63
<u>Community</u>						
62-j-3	Mass public library..	0.1	-	3-62	6-62	9-62
62-j-4	Real estate develop- ment	0.4	0.1	7-61	6-62	12-62

* Site excavation or major procurement or fabrication.

^{a/} Amended authorization of \$8,700,000 being requested.

FY 1962 Third Quarter Financial Review
Plant Acquisition and Construction
II. Major Items in Remaining Unobligated Balance
(In Millions)

	<u>Current TEC</u>	<u>Oblig. in 1st 9 months</u>	<u>Remaining for Oblig. in FY 1962</u>	<u>Estimated Completion Date</u>
<u>Special Nuclear Materials</u>				
62-a-1				
Modifications to production and supporting installa- tions	\$ 7.5	\$ 1.0	\$6.5	N.A.
62-a-3				
Modifications for improved natural fuel elements, Savannah River	4.0	3.1	0.8	8-63
61-a-5				
Plutonium reclamation plant, Hanford	2.9	-0.1	1.3	9-63
61-a-6				
Moderator purification improvements, Savannah River	2.4	-0.1	1.3	N.A.
59-a-1				
Plant modifications for processing of non-pro- duction spent fuels, undetermined sites	6.7	-0-	2.7	N.A.
59-a-5				
Production reactor facility for special nuclear materials, convertible type, Hanford	195.2	2.4	6.0	10-63
<u>Weapons</u>				
62-c-1				
Weapons production, development and test installations	7.5	5.1	2.4	6-63
60-c-3				
Test and environmental metallog. Sandia ...	1.0	0.1	0.7	3-63
<u>Reactor Development Program</u>				
56-b-2				
Experimental Breeder reactor #2 (EBR-II)	34.5	0.4	2.1	9-1-62
57xxx				
Nuclear powered merchant ship	28.8	0.5	0.9	Complete
58-111-(a)				
Hallam	30.8	1.6	1.1	Essentially complete
58-111-(b)				
Elk River	11.3	0.1	1.8	Essentially complete
59-d-10				
Experimental Gas-cooled Reactor (EGCR)	40.0	0.2	-	5-1-63
60-e-11				
Natural Circulation Test Plant	18.5	2.7	6.0	11-1-63

	<u>Current TEC</u>	<u>Oblig. in last 9 months</u>	<u>Remaining for Oblig. in FY 1962</u>	<u>Estimated Completion Date</u>
60-e-12 Alterations to Shippingport	9.0	\$ 1.9	\$ 3.0	Late Cy'63
60-e-13 Experimental organic cooled reactor (EOCR)	9.9	1.0	2.0	10-31-62
60-a-15 Boiling nuclear superheat (BONUS)	9.8	0.1	1.6	5-15-63
61-d-5 Fast reactor core test installation, LASL	6.9	3.9	2.9	6-64
61-d-7 Test installation for Project Rover	28.0	10.1	10.8	10-62
61-d-8 Test installation for Project Pluto	7.3	6.3	0.6	2-63
61-d-9 Advanced test reactor (ATR)	47.0	17.2	14.2	11-17-64
62-d-1 Test plant for Project SNAP	6.5	1.0	5.4	10-1-63
62-d-2 Experimental beryllium oxide reactor, MRTS, Idaho	8.0	4.4	3.6	12-63
62-d-7 Ultra-high temperature reactor experiment building	3.5	1.4	2.1	7-63
<u>Physical Research Programs</u>				
62-f-2 Accelerator and reactor additions and modifications, BNL	1.9	1.1	0.8	12-62
62-f-3 Accelerator improvements, Cambridge and Princeton accelerators	0.5	0.1	0.4	N.A.
61-f-2 Princeton-Penn accelerator additions	10.8	*	4.5	6-64
59-a-11 High flux beam research reactor, BNL	11.8	8.0	1.6	7-63

*Less than \$50,000

Budget &

UNITED STATES GOVERNMENT

Memorandum

TO : R. E. Hollingsworth
Deputy General Manager

DATE: June 1, 1962

FROM : W. B. McCool *W. B. McCool*
Secretary

Approved *R. E. Hollingsworth*
R. E. Hollingsworth
Date 6/1/62

SUBJECT: CHECKLIST OF CONTROLLER'S FY 1962 THIRD QUARTER FINANCIAL REVIEW
FRIDAY, JUNE 1, 1962, 3:40 P.M., ROOM 1113-B, D. C. OFFICE

SYMBOL: SECY:WLW

Commission Business

1. Hearing Examiners' Salaries

The Commission requested preparation of a letter to the House Appropriations Committee on the proposed increase in salaries of the Hearing Examiners. (Abbadessa - Tackman)

2. AEC's FY 1963 Budget

The Chairman requested that he be advised if it would be appropriate for him to discuss the AEC's FY 1963 Budget with members of the House Appropriations Committee. (Abbadessa)

3. Close-Out of Ecological Studies

The Commission requested that September 1, 1962 be firmly established as the close-out date for the ecological studies related to Project Chariot. (Abbadessa - Kelly)

6-1-62

UNITED STATES GOVERNMENT

Memorandum

TO : File

DATE: February 23, 1962

FROM : W. B. McCool, *John* Secretary

SUBJECT: REQUEST FOR CONSTRUCTION PROGRAM OVERRUNS

SYMBOL: SECY:JCH

1. At Meeting 1822 on February 14, 1962, during the Controller's FY 1962 Second Quarter Financial Review, the Commission requested a report on actual and potential overruns in construction projects.

2. By memorandum dated February 15, Mr. Burrows forwarded to the Commissioners his report on Construction Program Overruns.

cc:
Chairman
General Manager
Deputy General Manager
Asst. General Manager
Controller

2.23.62

FEB 15 1962

MEMORANDUM FOR CHAIRMAN BOARD
CONSTRUCTION BOARD
CONSTRUCTION BOARD
CONSTRUCTION BOARD
CONSTRUCTION BOARD

SUBJECT: CONSTRUCTION PROJECT OVERRUNS

In accordance with your request during the quarterly financial review for a list of actual and potential overruns on construction projects as discussed verbally, the following is submitted.

Overruns for which Funds Have Been Made Available (Millions)

1. Avondale Project 40.9

The major portion of this overrun takes place in the estimate for Year Call B and arises principally as a result of more refined design criteria in light of a clearer picture of the function and character of Year Call B which is now available.

2. Rollins Project 11.6

This overrun relates principally to additional start-up costs.

3. Elk River 10.3

This overrun results from the need for additional funding for pressure vessel analysis. It should be noted, however, that if a replacement vessel is required, there would be an additional overrun of about 12.5 million.

mtg 1822

215-62

Financial Summary and Status

1. ME

While the precise magnitude of the additional overrun on this project has not been finally determined, it would appear to be in the neighborhood of \$17 to \$18 million. This overrun stems from delays in the project caused by difficulty in meeting design specifications primarily with respect to the piping.

2. Main Station Construction

Again the magnitude of the overrun on this project has not as yet been determined. The problem here is in a delay in completion of the project primarily arising from difficulties in meeting design specifications.

3. Reservoir at San Gabriel Station

While construction on this project is only 50% complete, the overrun in the estimate provided for contingencies is not less than zero. However, there may well be changes to the project as a result of the hazards evaluation presently underway. Also a delay in delivery of the pressure vessel has developed. These facts add it appears more likely that there will be a further overrun on this project, roughly estimated at about \$2 million. A revised estimate is expected in March.

4. MESE

The mid-year review estimate from San Diego indicates an overrun of \$3.7 million in construction. This estimate is presently under review.

5. Reservoir at San Gabriel Station

Construction completion on this project is estimated to slip from February to May 1962. Latest financial reports on construction progress indicate a possible overrun of about \$4.2 million.

While as indicated above it is not possible to ascertain at this time the precise amount of additional funding needed to meet these potential overruns, there are, in our judgment, about a dozen programs on which such overruns may be experienced. It is estimated that these overruns could aggregate about \$3 million. It is obvious, however, that these potential overruns fall far short of meeting the funding needs revealed by the potential overruns discussed above. Accordingly, additional appropriations will be required to meet these overruns.

(Signed) Don S. Burns

Don S. Burns
Director

- cc: Yellor
- Secretary
- Burns
- McCarthy
- Egan
- Clegg
- Sullivan

Benight-8

UNITED STATES GOVERNMENT

Memorandum

TO : Heads of Divisions and Offices
Headquarters

DATE: December 6, 1961

FROM : Don S. Burrows
Controller *[Signature]*

SUBJECT: 1961 ANNUAL FINANCIAL REPORT

SYMBOL: OCAC:MKK

Attached are three copies of the unclassified Annual Financial Report for fiscal year 1961. Copies of this report have been distributed to the Operations Offices and are available to the public.

Additional copies of the attached report may be obtained by calling extension 4522.

We shall appreciate any suggestions you may have for improvements to be incorporated in the Financial Report for fiscal year 1962.

Enclosure:

FY 1961 Annual Financial Report-
(3) copies

filed in - Busby! - inkcap

12-6-61

UNITED STATES GOVERNMENT

~~SECRET~~

Memorandum

Bud # 8

TO : File

DATE: November 8, 1961

FROM : Anthony H. Ewing, Chief
Meeting Branch

SUBJECT: FY 1962 FIRST QUARTER FINANCIAL REVIEW

Symbol: SECT:DCR

Attached is one copy of the FY 1962 First Quarter Financial Review with its supplement, Plant Acquisition and Construction. The Review and the supplement were discussed by Mr. Burrows at Meeting 1792 on October 31, 1961.

Attachments:

Cy 11A of 50 FY 1962 First Quarter Financial Review - SRD
7 pp Rpt - Plant Acquisition & Construction

DOCUMENT TRANSMITTED
HEREWITH CONTAINS

~~RESTRICTED DATA~~

WITHOUT ENCL/ATTACHMENTS

CONFIRMED TO BE UNCLASSIFIED
DCE/OFFICE OF DECLASSIFICATION
D. R. GILSON, A.D.D. DATE

DRH 8-24-99

When separate copies are made of this document

OFFICIAL USE ONLY

(Insert appropriate marking)

~~SECRET~~

Copy filed: 1 Bud # 1.62

11-8-11

PLANT ACQUISITION AND CONSTRUCTION
 Financial Review - Sept. 30, 1961
 (In Millions)

FY 1962 Appropriation		\$ 195.4
Unobligated balance 6-30-61		<u>160.8</u>
Available for obligation - FY 1962		356.2
Obligations - First quarter FY 1962		<u>28.5</u>
Available for obligation 9-30-61		<u>327.7</u>
Projects not started - Table I	\$ 223.1	
Major projects started but with obligations lagging - Table II	36.7	
All other projects	<u>67.9</u> *	<u>\$ 327.7</u>

* Includes an unobligated balance at 9-30-61 of \$30.6 million for fiscal year 1962 general plant projects.

PLANT ACQUISITION AND CONSTRUCTION
I. PROJECTS NOT STARTED

Program and Project	(\$ in millions)		Title I Design Start	Construction *	
	Authorized Amount	Unexp. thru 9-30-61		Start	Completion
<u>Special Nuclear Materials</u>					
62-a-1	Modifications to production and supporting installations	\$ 7.5	-0-		
62-a-2	Fission product recovery, phase II, Hanford, Wash.	1.5	-0-	1-62	7-62 1-64
62-a-3	Modifications for improved natural fuel elements, Savannah River, S. C.	4.0	0.1	2-61	11-61 7-63
62-a-4	Solvent purification installation, Savannah River, S. C.	0.5	-0-	11-61	3-62 10-62
62-a-5	Additional reactor confinement, Savannah River, S. C.	3.0	0.2	12-60	
62-b-1	Relocation of Clinch River pumping station, Oak Ridge, Tenn. ..	1.4	0.1	10-60	11-61 4-63
62-b-2	Feed vaporization bldg., Paducah, Ky.	0.6	-0- ^{a/}	2-61	2-62 9-62
62-b-3	Permanent Gallaher Bridge, Oak Ridge, Tenn.	1.3	0.1	11-60	1-62 5-63
<u>Weapons</u>					
62-c-1	Weapons production, development, and test installations				
(1)	Increased production area, Rocky Flats ..	1.2	-0-	11-61	1-61 5-62
(2)	Delta fabrication area, Oak Ridge ...	1.0	0.4	8-61	11-61 8-62
(3)	Dehumidification facility, Rocky Flats	2.9	-0-	9-61	11-61 4-62
(4)	Explosive device facility, Sandia (AE only)	0.1	-0-	8-61	Not scheduled
	Unallocated	2.3			
	Total 62-c-1	7.5			

^{a/} Less than \$0.1 million.

* Major procurement or fabrication (where applicable)

I. PROJECTS NOT STARTED - continued

Program and Project	(\$ in millions)		Title I Design Start	Construction *		
	Authorized Amount	Oblig. thru 9-30-61		Start	Completion	
<u>Weapons - continued</u>						
62-c-2	Specialized plant addition and modification, Oak Ridge, Tennessee	\$ 3.5	\$0.2	2-61	10-61	11-62
62-c-3	Tandem Van de Graaff facility, Los Alamos	3.5	-0-	11-61	4-62	4-63
<u>Reactor Development</u>						
62-d-1	Test plant for project SNAP, Santa Susana, California	3.4	0.04	5-61	11-61	10-63
62-d-2	Experimental beryllium oxide reactor, NRTS, Idaho	8.0	0.9			
62-d-3	Fuels recycle pilot plant, Hanford, Wash.	5.0	0.1	3-61	7-62	12-63
62-d-4	High radiation level analytical laboratory ORNL, Tennessee ...	2.0	0.2	2-61	1-62	12-63
62-d-5	Improvements to radioactive liquid waste system, ORNL, Tenn.	1.7	0.05	3-61	7-62	9-63
62-d-6	Experimental organic cooled reactor loops, NRTS, Idaho	6.0	0.4	1-61	10-61	6-62
62-d-7	Ultra high temperature reactor experiment building, LANS, New Mexico	3.5	0.02	9-61	4-62	6-63
62-e-1	Additional transient housing, ANL, Ill.	0.3	0.02	12-61	5-62	1-63
62-e-2	Technical services building, NRTS, Idaho	1.5	0.1	5-61	2-62	2-63
62-e-3	Instrumentation and health physics bldg., BNL, New York	2.0	-0-	10-61	5-62	2-64
61-d-3	Technical space for SPERT	0.5	0.03	3-61	12-61	12-62
61-d-5	Fast reactor core test installation, LANS	6.9	0.1	8-61	4-62	7-63
61-d-8	Test installation for Pluto (Funded at \$8.0 million thru FY 1962)	15.0	1.2	10-60	11-61	9-62

* Major procurement or fabrication (where applicable).

I. PROJECTS NOT STARTED - continued

		(\$ in millions)		Title I Design Start	Construction #	
Program and Project		Authorized Amount	Oblig. thru 9-30-61		Start	Completion
<u>Reactor Development - continued</u>						
61-d-9	Advanced test reactor	\$ 40.0	\$ 2.2	11-60	11-61	10-64
61-d-10	Power reactor for Antarctica (Byrd Station)	7.0	-0-	9-61	2-62	2-64
61-e-1	Additions and modifi- cations to MER-EFR ..	0.8	0.2	3-61	12-61	12-62
61-109	Cooperative power reactor demonstration program	25.0	-0-			
60-e-1	Modifications to EBR-I	1.0	0.1			
60-e-14	Experimental low temperature process heat reactor	4.3	0.3			
60-110	Cooperative power reactor demonstration program	<u>25.0</u>				
	a. LaCrosse	11.2	-0-	11-61	1-62	1-65
	b. Small pressurized water reactor ..	13.8	-0-			
<u>Physical Research</u>						
62-f-1	Modifications to CP-5 reactor and low energy accelerator, ANL ...	1.6	a/			
	Accelerator			11-61	8-62	7-63
	CP-5 building addn.			11-61	8-62	6-63
	Cold neutron fac.			-	12-62	7-63
62-f-2	Accelerator and reactor additions and modifi- cations, BNL	1.9	a/			
62-f-3	Accelerator improve- ments, CEA & PPA ...	0.5	-0-			
62-f-4	Accelerator improve- ments, LRL	0.6	-0-	11-61	11-61	11-63
62-g-1	High energy physics bldg., ANL	6.9	a/	9-61	6-62	12-63
62-g-2	Chemistry laboratory, BNL	6.0	-0-	9-61	6-62	10-64
62-g-3	Cosmotron laboratory addition, BNL	0.5	-0-	10-61	4-62	5-63

a/ Less than \$0.1 million. * Major procurement or fabrication (where applicable)

I. PROJECTS NOT STARTED - continued

Program and Project	(\$ in millions)		Title I Design Start	Construction *		
	Authorized Amount	Oblig. thru 9-30-61		Start	Completion	
<u>Physical Research - continued</u>						
62-g-4	Mechanical shops, LRL	\$ 2.6	-	11-61	6-62	9-64
61-f-7	Linear electron accelerator	114.0	0.7	2-61	11-61* 1-62	7-67
61-f-9	Radiation laboratory, Univ. of Notre Dame	2.2	0.1	2-61	12-61	4-63
61-g-2	Additions to cyclotron building, LRL	0.5	0.5	2-61		
60-g-3	Transuranium lab., ORNL	1.2	-0-	10-61	10-62*	10-65
<u>Biology and Medicine</u>						
62-h-1	Laboratory for mixed fission products, ALOO	2.0	a/	6-61	1-62	9-62
62-i-1	Cell physiology laboratory, ORNL ...	0.5	0.1	3-61	11-61	9-62
62-i-2	Mammalian genetics laboratory, ORNL ...	0.8	0.1	3-61	11-61	9-62
<u>Community</u>						
62-j-1	Junior high school facilities, Los Alamos	1.8	0.1	6-61	11-61	12-62
62-j-2	Additional elementary school facilities, Los Alamos	0.7	a/	6-61	11-61	8-62
62-j-4	Real estate develop- ment	0.4	-0-	7-61	11-61	11-62

Projects for which no funds have been appropriated

Physical Research

62-g-5	Physics building, Univ. of Chicago, Ill.	0.8				
61-f-8	Materials research laboratory, Univ. of Ill.	5.6				
59-e-3	Two accelerators, etc., Penn. State	1.0				

* Major procurement or fabrication (where applicable).

a/ Less than \$0.1 million.

I. PROJECTS NOT STARTED - continued

Program and Project	(\$ in millions)		Title I Design Start	Construction *	
	Authorized Amount	Oblig. thru 9-30-61		Start	Completion

Projects for which no funds have been appropriated - continued

Physical Research - continued

59-e-12	Research and engineering reactor, ANL, (design only)..	\$ 1.0			
---------	--	--------	--	--	--

Biology and Medicine

62-1-3	Controlled environment laboratory, Brookhaven National Lab., N.Y.	1.0			
62-1-4	Animal bioradiological laboratory, LRL, Calif.	0.7			

* Major procurement or fabrication (where applicable).

PLANT ACQUISITION AND CONSTRUCTION

II. PROJECTS ON WHICH OBLIGATIONS ARE LAGGING
(\$ in millions)

<u>Program and Project</u>	<u>Current TEC</u>	<u>Oblig. in 1st Qtr.</u>	<u>Remaining for Oblig. in FY 1962</u>	<u>Estimated Completion Date</u>
<u>Special Nuclear Materials</u>				
61-a-5 Plutonium Reclamation Plant, Hanford	\$ 2.9	\$-0-	\$ 1.2	9-63
61-a-6 Moderator Purification Improvement, SRO ...	2.5	-0-	2.3	2-63
<u>Weapons</u>				
60-c-3 Test and Environmental Installation, Sandia Base, New Mexico ...	1.0	0.1	0.7	(Acoustic Test Facility) 12-61
60-d-1 Storage Site Modifi- cations	1.0	-0-	0.6	Not scheduled
<u>Reactor Development</u>				
61-d-2 Special Purpose Test Installation (SNAP).	1.2	0.1	1.0	8-62 *
61-d-7 Test Installation for Project Rover	20.0	2.8	10.1	7-62
60-e-11 Natural Circulation Test Reactor, NRTS ..	18.5	1.5	7.3	6-63
60-e-12 Alterations to Shippingport	9.0	0.5	3.4	12-63
57xxx NS Savannah	28.8	-0-	2.1	
<u>Physical Research</u>				
59-e-11 High Flux Research Reactor, BNL	12.5	1.3	9.0	7-63 (Schedule revised to recognize lag)

* Construction work started in October.

UNITED STATES GOVERNMENT

Bullett - 8
~~OFFICIAL USE ONLY~~
~~CONFIDENTIAL~~

Reference Section

Memorandum

TO : A. R. Luedcke, General Manager

DATE: October 31, 1961

FROM : W. B. McCool, Secretary *Original signed W. B. McCool*

Approved A. R. Luedcke

Date _____

SUBJECT: ACTION SUMMARY OF MEETING 1792, Tuesday, October 31, 1961, 10:45 a.m.,
ROOM A-410, GERMANTOWN

Symbol: SECY:DCR

Commission Decisions

1. Minutes of 131st AEC-MLC Conference

Approved, as revised.

2. Controllers Quarterly Review and Annual Financial Report

Discussed.

The Commission requested inclusion in the summary notes for the 132nd AEC-MLC Conference a report regarding the obsolete inventory of non-nuclear weapon components related to the requirement cycle. (Betts - Secretariat)

The Commission approved proceeding with the Porpoise shot in Project Vela. (Kelly)

3. AEC 226/300 - Disarmament Policy

Discussed.

The Commission approved the revised interim reply to Mr. Foster. (Kavanaugh)

Items of Information

1. Presidential Approval for Release of Fact Sheet
2. Query from Secretary of Defense McNamara re: Test Site

This matter will be discussed at the 2:00 Meeting. (Secretariat)

1. REVIEW AUTHORIZED BY: <i>A. B. SECRET</i>
2. CLASSIFICATION: <i>SECRET</i>
3. CONTROL NO. AND DATE CLASSIFIED: <i>12-10-95</i>
4. AUTHORITY: <i>SP-10</i>
5. CLASSIFICATION CHANGE: <i>12-24-99</i>
6. DATE OF REVIEW: <i>12-24-99</i>

CLASSIFICATION CANCELLED
 DATE *6/27/73*
 For The Atomic Energy Commission
Jack H. Kohn
 DIVISION OF CLASSIFICATION

~~CONFIDENTIAL DATA~~
 This data is classified as defined in...
 its transmittal...
 in any manner to...
 is prohibited.
~~CONFIDENTIAL~~

UNITED STATES GOVERNMENT

Memorandum ~~OFFICIAL USE ONLY~~

Reference Section

TO : Don S. Burrows, Controller

DATE: August 9, 1961

FROM : Harold D. Anemosa, Assistant Secretary

SUBJECT: OPERATING EXPENSES FOR JUNE, 1961

SYMBOL: SECY:WLW

1. During the Fourth Quarter FY 1961 Financial Review on August 7, 1961, you will recall the Commission requested a report on the results of the study on increases in June operating expenses.

2. We understand the above mentioned report is being prepared. If you like, we will assist you in circulating the report for the information of the Commission.

cc: General Manager
Deputy General Manager
Asst. General Manager
General Council

~~OFFICIAL USE ONLY~~
~~CONFIDENTIAL - OFFICIAL USE ONLY~~

Copy for Budget-61

107-6-8

Budget Reports

UNITED STATES GOVERNMENT

~~OFFICIAL USE ONLY~~

Memorandum

TO : A. R. Luedcke, General Manager

DATE: August 7, 1961
Approved: *A.R. Luedcke*
A.R. Luedcke

FROM : Harold D. Anamosa, Assistant Secretary

Harold D. Anamosa
Date: 8/7/61

SUBJECT: CHECKLIST ON CONTROLLER'S FINANCIAL REVIEW, MONDAY, AUGUST 7, 1961,
3:30 P.M., ROOM 1113-B, D. C. OFFICE

SYMBOL: SECY:WLW

1. Controller's Financial Review

The Commission requested a report on the results of the study of increases in the June 1961 operating expenses. (Burrows)

2. FY 1963 Budget Estimates

The Commission requested presentation of alternate FY 1963 budgets. (Burrows)

~~OFFICIAL USE ONLY~~

copy filed: Budget-61

8-7-61

UNITED STATES GOVERNMENT

Memorandum

~~OFFICIAL USE ONLY~~

TO : File

DATE: March 17, 1961

FROM : W. B. McCool, Secretary *W. B. McCool*

SUBJECT: CONTROLLER'S FINANCIAL REVIEW

SYMBOL: SECY:DCR

1. During the Controller's second quarter financial review, on March 9, 1961, the Commission requested the third quarter financial review be scheduled in May.

2. I will schedule the financial review for early May.

CC: General Manager
Controller

~~OFFICIAL USE ONLY~~

100-1-100

Memorandum

TO : A. R. Luedcke, General Manager

DATE: March 9, 1961

Approved *A. R. Luedcke*

FROM : W. B. McCool, Secretary *W. B. McCool*

A. R. Luedcke
Date 3/9/61

SUBJECT: CHECKLIST ON CONTROLLER'S FINANCIAL REVIEW, THURSDAY, MARCH 9, 1961,
5:30 p.m., Room 1113-B, D. C. OFFICE

SYMBOL: SECY:DCR

Controller's Financial Review

I will schedule the Controller's third quarter financial review in May.

39-61

FEB 2 1981

MEMORANDUM FOR THE DIRECTOR
SUBJECT: [Illegible]

RECOMMENDATION

APPROVED

DATE

- Mr. Tolson
- Mr. DeLoach
- Mr. Mohr
- Mr. Bishop
- Mr. Casper
- Mr. Callahan
- Mr. Conrad
- Mr. Felt
- Mr. Gale
- Mr. Rosen
- Mr. Sullivan
- Mr. Tavel
- Mr. Trotter
- Tele. Room
- Miss Holmes
- Miss Gandy



Very truly yours,
[Illegible Signature]

Memorandum

Budget - 8
~~OFFICIAL USE ONLY~~

Reference Section

TO : Don S. Burrows, Controller

DATE: DEC 16 1960

FROM : W. B. McCool, Secretary

SUBJECT: AEC BUDGET FOR THE ATOMIC BOMB CASUALTY COMMISSION

SYMBOL: SECY:AHE

In a revision to the minutes of the Financial Report on FY 1960 and First Quarter FY 1961 presented at Meeting 1675, Commissioner Graham has requested steps be taken to limit future funds in support of the Atomic Bomb Casualty Commission to the amounts budgeted for that purpose.

cc: General Manager
Deputy General Manager
Asst. General Manager
Asst. Gen. Mgr. for R&ID
General Counsel
Director, Research

~~OFFICIAL USE ONLY~~

*Copied file: M405-3
Budget-62*

UNITED STATES GOVERNMENT

Memorandum

Budget Reports
~~OFFICIAL USE ONLY~~

Reference See

TO : Don S. Burrows, Controller

DATE: December 6, 1960

FROM : W. B. McCool, Secretary

SUBJECT: FINANCIAL REPORT ON FY 1960 and the FIRST QUARTER OF FY 1961

SYMBOL: SECT:ANE

1. We informed your office on November 25, 1960, that at Meeting 1675 on November 23 during the Financial Report on FY 1960 and the First Quarter of FY 1961 the Commissioners requested:

- a. The Commission be informed of staff decisions affecting ABC reserve funds;
- b. A report on ABC over-payment of taxes;
- c. A review of the need to maintain stocks of machine tools at Schenectady;
- d. A report on the disposition of the Monticello Plant and the Olin Mathieson Boron Metal Plant; and
- e. A regularly scheduled oral financial review report and reports on overruns as they develop.

2. The General Manager has directed you to take the actions required by the above requests. We will be happy to assist in circulating the reports requested in paragraphs b., c., and d., above for the information of the Commission.

cc: General Manager
Deputy General Manager
Asst. General Manager
General Counsel

~~OFFICIAL USE ONLY~~

*Budget-20 Fabrications
Copies filed: 12/15/60 3- Disposition*

12-6-60

NOV 18 1960

The Honorable Maurice H. Stans
Director, Office of the Budget

Dear Mr. Stans:

There is transmitted herewith, in accordance with a Bureau of the Budget Circular No. 4-56, a report of progress as of October 31, 1960 against the fiscal year 1961 Financial Plan which was transmitted to you by letter of November 4, 1960.

Expenditures during October were \$217 million and cumulatively for the fiscal year were \$208 million.

Expenditures reported to the Civil Service Commission for September and October was \$,825 and \$,835, respectively.

Sincerely yours,

1st Dwight A. Dike

General Manager

Enclosure:
Progress report

Distribution:

Orig. & 2 - Addressee

cc - Gen. Manager

Secretariat 

Gen. Coun.

Personnel

Controller

R. Usher

McCarthy (green)

Chron

Yellow

Suspense

FIE:BaO
Keller:fb
WStarr
11/16/60

Asst. Contr.
for Budgets

Controller

Gen. Coun.

Personnel ADM

DBM Gen. Mgr.

09-01-11

**Progress Report on the
Summary Financial Plan for the Fiscal Year 1961
as of October 31, 1960**

U. S. ATOMIC ENERGY COMMISSION

	<u>Financial Plan</u>	<u>Current Status</u>	<u>Over (+) Under (-)</u>
1. <u>subject expenditures (in millions)</u>			
A. For the month	<u>\$ 284</u>	<u>\$ 217</u>	<u>\$ -7</u>
B. Year to date	<u>899</u>	<u>892</u>	<u>-7</u>
C. Remainder of year	<u>1,791</u>	<u>1,798</u>	<u>+7</u>
D. Total for year	<u>2,690</u>	<u>2,690</u>	<u>-0-</u>
2. <u>civilian employment:</u>			
A. Employment reported to the Civil Service Commission, end of current month ...	<u>6,805</u>	<u>6,830</u>	<u>+25</u>
B. Employment reported to the Civil Service Commission, end of preceding month ..	<u>6,825</u>	<u>6,825</u>	<u>-0-</u>

RECEIVED
 U. S. ATOMIC ENERGY COMMISSION
 OCT 31 1960
 1081 3 201
 1960

Budget - 8

UNITED STATES GOVERNMENT

~~OFFICIAL USE ONLY~~

Memorandum

TO : File

DATE: November 9, 1960

FROM : W. B. McCool, *[Signature]*

SUBJECT: FINANCIAL REPORT

SYMBOL: SECY:ANE

1. I informed the Controller on November 10, 1960, that at the Agenda Planning Session on November 7, Mr. Graham requested an oral financial report on FY 1960 and through the first quarter of FY 1961.

2. This report is scheduled to be presented to the Commission during the week of November 14, 1960.

- cc: Mr. Graham
- General Manager
- Deputy General Manager
- Asst. General Manager
- General Counsel
- Controller

~~OFFICIAL USE ONLY~~

*copies filed: Budget - 1960
Budget - 1961*

11-9-60

07-7-11

Budget 8 -

**EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.**

SEP 6 1960

My dear Mr. McCone:

During June the Bureau began the development of plans to provide more central assistance to the departments and agencies in their continuing efforts to assure that the most modern management practices and techniques are in use.

During the past several weeks substantial progress has been made in organizing this program with the help of an Interagency Advisory Council on Management Improvement.

We are now ready to undertake the next phase in the development of this effort. This will take the form of a joint review with a number of agencies of their most significant management accomplishments during recent years and their objectives for the future in upgrading the quality and reducing the cost of management. We are particularly interested in matters such as:

- methods improvements, including work simplification, the use of ADP systems, etc.
- manpower utilization, including work measurement, management training programs, etc.
- property utilization, including improvements in inventory control, procurement practices, utilization of excess property, etc.
- management review and control practices, including improvements in organization structure, planning, appraisal, financial management, and reporting.

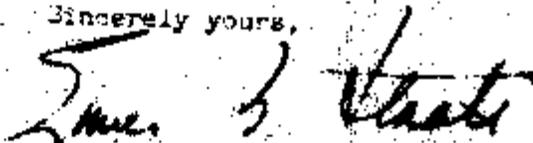
We plan to start these reviews during September and to complete them by late November. At that time it is our plan to prepare a summary report which we believe will be of interest to the President as well as to department and agency heads.

*Copies filed: O-7-11-1-1
O-7-11-12-1-1*

07-7-6

I am asking my staff to work directly with those members of your top staff with whom we maintain our regular relationships in arranging and conducting this review. I will appreciate such attention as your time permits to assuring that we obtain a representative summing up of the results of our collective efforts to improve management and operating practices in the Executive Branch.

Sincerely yours,



James S. Stewart

Honorable John A. McCone
Chairman, Atomic Energy
Commission
Washington 25.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Division Directors and
Heads of Offices

DATE: January 4, 1960

FROM : A. E. Luedeka
General Manager

A. E. Luedeka

SUBJECT: PERIODIC REPORTING

SYMBOL: F:DSB

There has been established a Quarterly Targets Report for reporting on the progress of each major project under your jurisdiction. (Certain selected projects of the Division of Reactor Development are reported on monthly.) The designation of projects to be included in the report either has been or will be made by the Division of Finance in collaboration with you. Projects will be added to or eliminated from the report depending upon continued significance or specific interest of the Commission.

The primary emphasis of these reports is on schedule and cost. Any development, whether potential or actual, which has a bearing on such forecasts should be set forth. Included in such developments, however, should be technical problems or trouble spots which have appeared during the period, as well as major unresolved technical problems, whether or not such problems have an effect on schedule or cost.

In addition, this office is to be kept currently informed, in a form suitable for transmission to the Commission, of major difficulties in key projects as they arise, which because of their impact on the completion of the project should be reported prior to the regular reports. Major difficulties should include those which may have an effect on licensing actions, which may raise doubt as to technical or economic feasibility, or which clearly indicate a significant delay in schedule.

Each Division should establish appropriate procedures to provide on a timely basis the information needed for these reports. Generally the data for quarterly reports should be provided to the Division of Finance within seven working days after the end of the quarter.

*copy filed OIM 2 - Finance
OIM 2 - Gen. Mgr.
OIM 8 - Reports*

Harold D. James
Assistant Secretary

January 4, 1960

Walker L. Campbell
Assistant Controller for Accounting

RE: 1958 FINANCIAL REPORT

MEMORANDUM FOR:

You have requested information with reference to the status or disposition of the request made by the Commissioners, during the presentation of the 51 1958 FINANCIAL REPORT for information on the possible reduction in the price of heavy water.

At the time a review was made of the costs of producing heavy water and it was determined, as a result of the curtailment of heavy water production and the placing in stand-by status of portions of the 500 heavy water facilities, that no reduction in price was possible. It is my recollection that this information was given informally to the General Manager and the Commissioners and that the matter was considered closed.

1460

Original per [unclear] [unclear]

Budget-8
Office Memorandum • UNITED STATES GOVERNMENT

TO : Heads of Divisions and Offices

DATE: December 1, 1959

Headquarters

FROM : *John S. Barrows*
John S. Barrows
Controller

SUBJECT: ANNUAL FINANCIAL REPORT

SYMBOL: FAC:WRS

Attached are three copies of the unclassified annual financial report for fiscal year 1959. Copies of this report have been distributed to the Operations Offices and are available to the public.

Additional copies of the attached report may be obtained by calling extension 4522.

We shall appreciate any suggestions you may have for improvements to be incorporated in the financial report for fiscal year 1960.

Enclosures:

Financial Report FY 1959 (3 copies)

12-1-59

Bulky 4

Will

DEC 1 1959

Transmitted Via: Trans Listel Sales

Subject: FY 1960 BUDGET

* Attached for your information are two copies of the Fiscal 1960 Financial Report.

The report is being distributed in the news media late today, (Thursday, December 1) and will be released in afternoon papers of Wednesday, December 2.

**Keene Salisbury, Director
Division of Information Services**

Addressed to:

- John A. McCone, Chairman**
- John S. Brown, Commissioner**
- John F. Finney, Commissioner**
- John H. Hillman, Commissioner**
- Airlin E. Lamborn, General Manager (Via E. J. Swanson & E. S. Cooper)**

* *file in Bulky Contingent*

cc: **W. McChoi, Secretary**
H. Salisbury, DIS

ISP	ISP	DIS	DIR
Marter:gb	Scopus	Thompson	Salisbury

12-1-59

62-1-1

DATE:

INDEX: Budget & Reports

TO:

FROM:

SUMMARY: Ltr. to Stans, BOE, transmitting a report of progress as of 2-28-59 against the revised fiscal year 1959 Financial Plan which was transmitted to you by letter of 2-6-59.

FILED: Budget 1959

INDEXED: 3-20-59

REMARKS:

CONFIRMED TO BE UNCLASSIFIED
DATE FOR DECLASSIFICATION REVIEW E.O. 13526
BY: SP 8A PM 6-22-92 DORW-23
THIS PAGE ONLY

U. S. ATOMIC ENERGY COMMISSION

CORRESPONDENCE REFERENCE FORM

3-20-59

DATE:

INDEX: Budget-8-Reports

TO:

FROM:

SUMMARY: AEC 892/31: COST INFORMATION ON STOCKPILE ITEMS. At Meeting 1424 on 11-12-58 during presentation of the FY 1958 Financial Report, the Commissioners requested cost information on additional stockpile weapons, particularly the smaller weapons planned for future production.

FILED:

INDEXER: Budget-FY-1958

REMARKS: date of paper: 12-11-58

CONFIRMED TO BE UNCLASSIFIED
DOE NSD DECLASSIFICATION REVIEW E.O. 13526
BY: *J. G. P. 6-23-92* 00000-323
THIS PAGE ONLY

U. S. ATOMIC ENERGY COMMISSION

CORRESPONDENCE REFERENCE FORM

NOV 10 1958

Honorable Marjorie H. Stans
Director, Bureau of the Budget

Dear Mr. Stans:

There is transmitted herewith, in accordance with Bureau of the Budget Circular A-54, a report of progress as of October 31 against the fiscal year 1959 Financial Plan which was transmitted to you by letter of October 21, 1958.

Expenditures for the period July through October, 1958, were \$147 million against a Financial Plan estimate of \$140 million.

Employment as reported to the Civil Service Commission, Line 1, column A, Standard Form 113, for September and October was 6,328 and 6,941, respectively. As a result of the reduction of 39 during the month of October, employment at the end of the month was 3 below the planned strength for that date, as stated in the Financial Plan.

Sincerely yours,

Paul F. Foster

Control Manager

Enclosure

Distribution:

- Orig. & 2 - Addressee
- cc - Gen. Mgr.
- cc - Gen. Coun.
- cc - Secretariat
- cc - Controller
- cc - M. A. Usher
- cc - McCarthy (Green)
- cc - Yellow
- cc - Chron

FIS/odd Cp Asst. Contr. Controller Gen. Coun. Gen. Mgr.
for Budgets

Haller/ert
11/10/58

Secretariat

11-19-58

**PROGRESS REPORT ON THE
SUMMARY FINANCIAL PLAN FOR THE FISCAL YEAR 1973
AS OF OCTOBER 31, 1972**

U. S. Atomic Energy Commission

	<u>Financial Plan</u>	<u>Current Status</u>	<u>Over (+) or Under (-)</u>
1. <u>Direct expenditures (in millions)</u>			
A. For the month	<u>\$ 215</u>	<u>\$ 202</u>	<u>13</u>
B. Year to date	<u>541</u>	<u>537</u>	<u>4</u>
C. Remainder of year	<u>1,732</u>	<u>1,731</u>	<u>1</u>
D. Total for year	<u>2,530</u>	<u>2,530</u>	<u>0</u>
2. <u>Civilian employment</u>			
A. Employment reported to Civil Service Commission, end of current month	<u>6,542</u>	<u>6,541</u>	<u>1</u>
B. Employment reported to Civil Service Commission, end of preceding month	<u>6,573</u>	<u>6,590</u>	<u>17</u>

~~OFFICIAL USE ONLY~~*Budget & Reports Yellow***Office Memorandum • UNITED STATES GOVERNMENT**

TO : Don S. Burrows, Controller

DATE: November 14, 1958

FROM : W. B. McCool, Secretary

SUBJECT: FY 1958 FINANCIAL REPORT

SYMBOL: SECY:RDC

1. You will recall that during your presentation of the FY 1958 Financial Report at Meeting 1424 on November 12, 1958, the Commissioners requested the following:

- a. A report on prices of additional stockpile weapons;
- b. A report on the costs of special nuclear materials for military propulsion systems, including Research and Development costs; and
- c. A study of possible reductions in the prices of special nuclear materials and heavy water.

2. The General Manager has directed that you take the action necessary to provide this information. The reports and study should be prepared as information papers to the Commission.

cc: Chairman McCone
 Commissioner Libby
 General Manager
 Asst. Gen. Mgr. for Adm.
 Asst. Gen. Mgr. for R&ID
 Director, Military Application
 General Counsel
 D. C. Office

~~OFFICIAL USE ONLY~~*attached Budget 58**X-DRAT-Pricing Policies**11-14-58*

October 28, 1958

MEMORANDUM FOR THE COMMISSIONERS

Subject: FINANCIAL REPORT - FISCAL YEAR 1958

1. Attached for your information is a draft of the unclassified annual financial report for fiscal year 1958, prepared for general distribution to the public. There is also attached a Top Secret supplement containing sensitive data such as product unit cost and weapon stockpile information prepared for the use of the Commission. The unclassified report has been cleared by the Division of Classification.

2. The General Manager has advised that he has approved the unclassified report and intends to release it to the printer on October 31, 1958, subject to any comments by the Commissioners prior to that date. Comments may be submitted to the Secretary. The General manager plans to discuss the classified supplement with the Commission at an Executive Session at an early date.

[Signature]
W. B. McCool
Secretary

Attachments: *
As noted above

cc: General Manager (w/enclosures)
Finance (2)(w/s enclosures)

Distribution:

- LEXI - 588 - 2A - Mr. McCool
- " " 3A - Mr. Libby
- " " 4A - Mr. Graham
- " " 5A - Mr. Vance
- " " 6A - Mr. Floberg
- " " 7A - Gen. Mgr.

CONFIRMED TO BE UNCLASSIFIED
DOE NSI DECLASSIFICATION REVIEW E.O. 12958
BY: *[Signature]* L.B. Zullo 8/17/89 DOENN-523
THIS PAGE ONLY

~~RESTRICTED DATA~~

When separated from other records, handle this document as UNCLASSIFIED unless otherwise indicated by the Secretary.

as _____ (insert proper classification)

*filed in Sulby Purchases

OFFICE	WBMcCool: dH					
SURNAME						
DATE	10/28/58					

16-29-58



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON 25, D. C.

October 26, 1958

MEMORANDUM FOR THE COMMISSIONERS

Subject: FINANCIAL REPORT - FISCAL YEAR 1958

1. Attached for your information is a draft of the unclassified annual financial report for fiscal year 1958, prepared for general distribution to the public. There is also attached a Top Secret supplement containing sensitive data such as product unit cost and weapons stockpile information prepared for the use of the Commission. The unclassified report has been cleared by the Division of Classification.

2. The General Manager has advised that he has approved the unclassified report and intends to release it to the printer on October 31, 1958, subject to any comments by the Commissioners prior to that date. Comments may be submitted to the Secretary. The General Manager plans to discuss the classified supplement with the Commission at an Executive Session at an early date.

(s) Harold D. Amersbach
H. D. Amersbach
Secretary

Attachments: *
As noted above

cc: General Manager (w/enclosures)
Finance (2)(w/enclosures)

CONFIRMED TO BE UNCLASSIFIED
DATE 05/14/99 BY J.L.P. Zulloch
THIS PAGE ONLY

When separated from this document
is UNCLASSIFIED
(Insert proper classification)

DATE 05/14/99 BY J.L.P. Zulloch
RECORDED DATA

~~TOP SECRET~~

* Filed in Bulky Package

102801