

It is my understanding that the Commission has allocated not to exceed \$20,000 for increased teletype facilities which will permit a total of seven (7) teletype circuits from the Proving Ground to commercial wire hookup in Honolulu. In the course of discussions concerning the observer program, the Commission's staff has requested broadcast quality voice circuit for transmission to Honolulu. Inasmuch as no equipment for this purpose is available in the Department of Defense, effort is being made by the Navy Department to obtain the equipment from the communications industries. The Chief of Naval Operations estimates that if such commercial type equipment can be obtained, additional funds to the extent of \$150,000 may be required for its installation and subsequent removal. Neither the Navy Department nor the Department of Defense has funds for this purpose.

I believe that under normal procedures for the division of expenses of this type in support of test operations, the Department assumes the normal operational costs of the ships involved and the Commission assumes the costs of installing and removing any special equipment required. In order that I may reassure the Secretary of the Navy on this matter, I shall appreciate your confirmation of the above assumptions or your comments thereon.

Sincerely yours,

/s/

Herbert B. Loper
Assistant to the Secretary
of Defense (Atomic Energy)

DEPARTMENT OF DEFENSE	GENERAL REVIEW
1ST REVIEW DATE: 04/07/95	2ND REVIEW DATE: 8/14/95
AUTHOR: W. Chidwell	APPROVED BY: [Signature]
NAME: [Signature]	DATE: [Signature]
2ND REVIEW DATE: 8/14/95	APPROVED BY: [Signature]
AUTHORITY: [Signature]	DATE: [Signature]
NUMBER: [Signature]	DATE: [Signature]

Honorable Lewis L. Strauss
Chairman, Atomic Energy Commission

CLASSIFICATION CANCELLED
BY AUTHORITY OF D.O. 5400.01-13
BY [Signature] DATE 3-22-73

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