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✓cc: Dr Shields Warren, USAEC,
Washington

BEST COPY AVAILABLE

UNITED STATES
 ATOMIC ENERGY COMMISSION
 OFFICE OF CHICAGO DIRECTED OPERATIONS
 P. O. Box 6140A
 CHICAGO 80, ILLINOIS 719433

IN REPLY REFER TO: CD:JTR

April 25, 1949

Mr. Robert M. Underhill
 Secretary and Treasurer
 The Regents of the University of California
 Berkeley, California

002956

Dear Bob:

Following our discussion on January 3, 1949 during your visit here, we have gone into the problem of the occupancy arrangements for the San Francisco Cancer Facility in some detail with the Division of Biology and Medicine and Office of the General Counsel in Washington.

They strongly concur in the position taken by this Office that the Commission must have adequate protection from a business standpoint for a substantial investment in a permanent type structure such as the proposed Cancer Facility on University property. It is believed that your counter-proposal of a thirty year occupancy agreement with the right of the University to purchase the building at any time at original cost less straight line depreciation on a thirty year basis, will not satisfy the Commission's needs.

For the reasons stated in my letter to you of February 17, 1948 with respect to lease arrangements for permanent facilities, it is believed that the Government must be protected either 1) by having substantially the same rights under the proposed occupancy agreement that it has under the lease on the Berkeley tract, i.e., long term agreement with right to bring in other contractors after termination of the operating contract, subject to University's right to purchase or 2) by having the University agree to purchase the structure upon termination of the operating contract subject to the availability of funds. It is recognized that the restrictions on the University's ownership of the property may interfere with consideration of alternative No. 1.

I would appreciate it very much therefore if you would review with the Board of Regents our original proposal of an occupancy agreement with the obligation of the University to purchase. This obligation would not become operative for ten years after completion of construction, and then only of course upon termination of the operating contract.

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 MEDICINE

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 DIVISION OF BIOLOGY AND MEDICINE
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MEDICINE, HEALTH & SAFETY

PROVENANCE

REPOSITORY: OFFICE OF HUMAN RADIATION
EXPERIMENTS (OHRE)

COLLECTION: PLUTONIUM INJECTION INVESTIGATION
FILES (OHRE 1)

BOX: 3

FOLDER: IRRELEVANT MATERIAL

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Mr. Robert M. Underhill
April 25, 1949

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The price would be fixed by agreement of the parties, subject to the right of either party to have the price fixed by independent appraisers in the manner provided under the occupancy agreement at Berkeley. Attached is a copy of our proposal, dated November 3, 1948, for your ready reference.

In the event the University cannot come to an understanding on our proposal as modified in any particulars mutually agreeable, I believe it would be desirable to explore further the possibility of locating the Cancer Facility on land not subject to restrictions within the vicinity of the hospital. Consideration might be given to the relation of this proposed facility to additional hospital construction which we understand the University has authorized or which is under consideration.

Since I am sure you are as anxious as I am to clear this matter up, I would be glad to discuss this problem with you further on the telephone, or at such time and place as we can find mutually convenient, as soon as possible.

I understand from Mr. Pollman that the Architect-Engineer contract for the Facility has been submitted for approval. As I indicated last Fall we are willing to go ahead with the Architect-Engineer work on the building. However, I wonder whether it might not be desirable for you to consider the contents of this letter with the Regents before incurring this additional expense.

Sincerely yours,

A. Tammaro
Manager

Encl.:

Copy proposal COO, dtd 11-3-48

CC: Dr. Shields Warren, Wash., DC ✓
Mr. A. P. Pollman, Berkeley, Calif.

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