



UNION CARBIDE CORPORATION

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CORPORATE
RESEARCH LABORATORY

December 21, 1978

Mr. Jerome Saltzman, Chief
Antitrust & Indemnity Group
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Saltzman:

Your August 14th letter to Mr. D. B. Holzgraf requested that we sign Amendment No. 11 to Indemnity Agreement No. B-14 between Union Carbide Corporation and the Atomic Energy Commission, dated July 10, 1962. This amendment would add to our agreement an Article VIII which concerns assessed deferred premiums.

We understand that the deferred premiums, as discussed in 10 CFR 140.11(a)(4), only apply to nuclear power reactors having rated capacities of 100,000 electrical kilowatts or more. The subject would therefore have no relevance to the five megawatt thermal research reactor owned by Union Carbide.

Our corporate management is hesitant to sign an amendment which appears to make the corporation liable for deferred premiums. Before taking further action on this matter we request: 1) confirmation of the fact that the matter of deferred premiums does not apply to the Union Carbide Nuclear Reactor and, 2) an explanation of why we are asked to add Article VIII to Indemnity Agreement B-14 when it has no relevance.

Yours very truly,

Marcus H. Voth

Marcus H. Voth
Manager
Nuclear Operations

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