Dear Dr. Newell:

Negotiations with Eastman Kodak for the study effort you requested in your December 17, 1969 letter have been completed and work began on January 20, 1970. I believe your staff is familiar with the details of the negotiations and is prepared to monitor the effort.

Also, as you may be aware, the residual MOL hardware that is to be preserved pending the outcome of the study has been identified and action is underway to prepare it for storage. You may be interested to know that the estimated value of this inventory is approximately $12.5 million. We have received a proposal for this from Eastman Kodak that itemizes the equipment and cites estimated costs for storage, maintenance and related efforts. These costs which are subject to our negotiation with Eastman, appear to be about $80,000 annually of which approximately $5,000 is non-recurring.

Because of the termination schedule of the MOL contract with Eastman, it is not appropriate to use that contract to accomplish these tasks. However, we are in the process of executing a facilities contract with Eastman which can be used to store and maintain your equipment. Should you decide not to preserve this equipment, it can be disposed of through the facilities contract administered by the resident Air Force Plant Representative. An estimated $20,000 would need to be provided by NASA to accomplish this.

We will notify your staff as to the amount of additional funds required when the negotiations are complete.

Sincerely yours,

[Signature]

Dr. Homer E. Newell
Associate Administrator
National Aeronautics and Space Administration
Washington, D.C. 20546

BYE 12580-70
Copy 2.
MEMORANDUM FOR DR. MCLUCAS

THRU: GENERAL ALLEN

SUBJECT: NASA Technical Feasibility Study at E.K.C.

The letter on the opposite side, for your signature, responds to Dr. Newell's letter (Tab A) requesting that the Air Force contract for NASA with Eastman Kodak for a technical feasibility study. The purpose of the study is to examine the possibility of adopting selected DORIAN optical hardware and technology for use in the Apollo Telescope Mount B of the Apollo Applications Program.

Dr. Newell also requested that we advise him of the costs of storing and maintaining the hardware until NASA reached a final decision. These data are contained in your reply.

Ralph J. Ford
Colonel, USAF
Assistant for MOL