

September 19, 2002

MEMORANDUM TO: Jesse L. Funches
Chief Financial Officer

FROM: Charlotte L. Turner, Director **/RA/**
Division of Accounting and Finance
Office of the Chief Financial Officer

SUBJECT: REQUEST FOR APPROVAL TO WRITE-OFF
DELINQUENT DEBTS (WRITE-OFF NO. FY2002-24)

The License Fee and Accounts Receivable Branch has been attempting to collect the unpaid delinquent debts of the LTV Steel Company, Inc., for materials annual fee Invoice Nos. AM4920-01 in the amount of \$2,400 and AM2689-02 in the amount of \$1,200. Although these debts are post-petition debts, we are recommending that collection action be terminated and the debts be written off for the following reasons: (1) LTV sold most of its assets to ISG Indiana Harbor, Inc., as part of the bankruptcy liquidation and ISG did not assume any prepetition debts or any old debts of LTV; (2) LTV ceased operations in late 2001 and was sold on April 15, 2002, (3) there will be insufficient money to pay unsecured nonpriority creditors, and (4) the NRC did not file a Proof of Claim prior to the bar date.

This license was inadvertently removed from a fee billable status in FY 2000. This license should have received a full FY2001 invoice and a 50 percent invoice for FY2002 (LTV changed this license from Ohio to Indiana in December 2001). In August 2002, ISG was issued a license and they assumed control of all nuclear material possessed by LTV.

The recommendation to terminate collection action and to write-off these debts is consistent with 10 CFR 15.55(a) which states that collection activity may be terminated when it becomes clear that NRC cannot collect or enforce collection from the debtor having due regard for the judicial remedies available to the NRC, the debtor's future financial prospects, and the exemptions available to the debtor under State and Federal law (e.g., bankrupt). The amount recommended to be written off is \$3,600. We will issue a 1099C to the IRS.

APPROVED:

/RA/ PJR for JLF

Jesse L. Funches
Chief Financial Officer

September 20, 2002

Date

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Jesse L. Funches
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ADAMS - Yes/No SENSITIVE/NON-SENSITIVE

PUBLIC/NON-PUBLIC

Initials - lpt

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