

June 5, 2003

WPI
ATTN: Wayne H. Howell
Chief Financial Officer
2000 Kraft Drive
Blacksburg, VA 24060

Dear Mr. Howell:

I am responding to your April 18, 2003, letter returning Invoice AM2513-03 assessed for Quality Assurance Program Approval 0921 that was issued on April 26, 2002. You state the invoice in the amount of \$72,900, is inaccurate based on your understanding and conversations with the NRC at the time of application and notes taken by Pasty Hosner, WPI Quality Assurance Manager on March 19, 2002, during a telephone conversation with Brenda Brown of my staff. Ms. Hosner contacted Ms. Brown to confirm receipt of the \$650 application fee and Ms. Brown provided this confirmation.

You stated Ms. Hosner was informed the annual renewal fee would be \$2,300. NRC does not charge a fee for the renewal of a Quality Assurance Program Approval. The assessment of Invoice AM2513-03 is the annual fee for your Quality Assurance Program Approval under the provisions of 10 CFR Part 171 of the NRC's regulations for the fiscal year period October 1, 2002, to September 30, 2003. Enclosed for your information is 10 CFR Part 171 (FY 2002); please refer to page 171-10 and you will note that the annual fee for category 10(B) is \$72,900.

You also state that you cannot support the amount invoiced and the fee is not the amount agreed upon in the conversation between Ms. Hosner and Ms. Brown. Ms. Brown explained to Ms. Hosner that each licensee has the option to annually file under small entity status. The decision to claim small entity status is *solely* up to the licensee. You requested that we retract and send a corrected invoice reflecting \$2,300 (a reduced small entity amount) as the amount of the annual fee due. If a licensee qualifies to file under small entity status, NRC regulations require the licensee to complete the enclosed NRC Form 526, "Certification of Small Entity Status For The Purposes Of Annual Fees Imposed Under 10 CFR Part 171." If you determine that WPI meets one of the size standards noted on the small entity form, you should certify by completing the form, submit a check for the appropriate amount indicated on the form and return the payment copy of the invoice.

Upon receipt of NRC Form 526, NRC will conduct an independent review. If the small entity filing is found to be proper, the small entity amount submitted (either \$500 or \$2,300, depending on the small entity level claimed), will be considered as payment in full for the annual fee.

However, if after the review the small entity status is found to be improper, then a denial letter will be sent to the licensee and the amount noted on the invoice is due and payable in its entirety. I am also enclosing the original invoice should you decide not to file for small entity status.

Should you desire to terminate your program in order not to be assessed an annual fee for fiscal year 2004, please contact Michelle DeBose at 301-415-2469, to obtain the appropriate license termination procedure. The annual fee for fiscal year 2004 will cover the period October 1, 2003, through September 30, 2004. Please be informed that there are specific dates which must be met should you decide to terminate your program. In order for you not to receive an annual fee invoice for fiscal year 2004, your termination request must be filed with NRC's Office of Nuclear Material Safety and Safeguards no later than September 30, 2003. A fifty-percent prorated invoice will be assessed if you file the termination request by March 31, 2004. Additionally, a termination request filed April 1, 2004, or thereafter will receive a full annual fee invoice.

If you have any questions, please contact me at 301-415-8165, or have your staff contact Brenda Brown at 301-415-6055.

Sincerely,

/RA/

Robert D. Carlson, Chief
License Fee Team
Division of Financial Management
Office of the Chief Financial Officer

Enclosures: 1. 10 CFR Part 171 (FY 2002)
2. Form NRC 526 (FY 2003)
3. Invoice

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 License Fee Team
 Division of Financial Management
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 2. Form NRC 526 (FY 2003)
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ADAMS Yes No Initials _BEB_
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

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*See previous concurrence.

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