

September 12, 2003

Mr. Garrick J. Solovey, P.E.
Chief Executive Officer
Worldwide Performance and Innovation
2000 Kraft Drive
Blacksburg, VA 24060

Dear Mr. Solovey:

I am responding to your letter, dated July 10, 2003, requesting that the NRC reconsider its position and cancel invoice AM2513-03 for Quality Assurance (QA) Program Approval 0921 due to a misunderstanding concerning the initial application for the QA program approval and associated fee.

During a meeting on July 1, 2003, between representatives from Worldwide Performance and Innovation (WPI) and the NRC, you stated that fee category 10B(1) "Transportation of radioactive material: QA program approvals issued under Part 71, Users and fabricators" was inappropriate and WPI should not be charged the associated fee of \$72,900. You also stated that WPI was not a nuclear fuel transportation cask certificate holder, and was not a user or fabricator of radioactive material packages. Further, you indicated WPI has no intention of becoming a certificate holder, user, or fabricator of radioactive material packages in the future. Discussions during the meeting also confirmed that there is no well-defined fee category to charge WPI for the QA program approval. The NRC representatives had determined that fee category 10B(1) was consistent with previous QA program approvals given by NRC to other entities performing work similar to that described by WPI. The NRC has since stopped issuing QA program approvals to non-licensee, non-user entities where there is no regulatory requirement. There was no requirement for WPI to apply for QA0921, nor has WPI received any services to date from the NRC as a result of holding the QA program approval. Your letter dated July 10, 2003, reaffirmed these facts.

Based on your assertions, it appears WPI would not have filed the initial application had your staff fully understood the implications of applying for a QA program approval under fee category 10B(1). As a result of the misunderstanding concerning the basis for WPI applying for QA0921, I am authorizing the cancellation of invoice AM2513-03. However, before the NRC cancels the invoice, WPI must submit a request for termination of QA0921 to NRC's Office of Nuclear Material Safety and Safeguards. As stated in your letter, WPI intends to file a request for license termination.

G. J. Solovey

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Please be aware that if the NRC does not receive the request for termination of license QA0921 by September 30, 2003, WPI will owe the full invoice amount. The current amount due is \$73,264.50 (\$364.50 is for interest and administrative charges on the delinquent debt).

If you have any questions regarding this matter, please contact Ms. Brenda Brown, of my staff, at 301-415-6055.

Sincerely,

/RA/

Jesse L. Funches
Chief Financial Officer

G. J. Solovey

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Sincerely,

/RA/

Jesse L. Funches
Chief Financial Officer

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*See previous concurrence.

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