

July 20, 2005

Dr. John A. Mercer  
McLaughlin Research  
Institute for Biomedical Sciences  
1520 23<sup>rd</sup> Street South  
Great Falls, MT 59405

Dear Dr. Mercer:

I am responding to your June 2, 2005, letter requesting a "public good" fee exemption for the McLaughlin Research Institute (MRI) under the Nuclear Regulatory Commission (NRC) regulations at 10 CFR 170.11 and 171.11, which provide fee exemptions for nonprofit educational institutions. Your letter states that MRI is a small 501(c)(3) independent nonprofit research facility with a dual mission of research and education. As discussed below, I am unable to grant this fee exemption because MRI does not meet our fee exemption criteria.

The NRC currently classifies MRI as a category 3M licensee under 10 CFR 171.16. The 3M fee category covers licenses, ". . . for possession and use of byproduct material issued under part 30 of this chapter for research and development that do not authorize commercial distribution." Because the MRI qualifies as a small-entity under 171.1(c), it pays a reduced annual fee of \$2,300.

As noted above, the NRC provides fee exemptions for qualifying nonprofit educational institutions. A nonprofit educational institution is defined in 10 CFR 170.3 and 171.5 as,

"A public or nonprofit educational institution whose primary function is education, whose programs are accredited by a nationally recognized accrediting agency or association, who is legally authorized to provide a program of organized instruction of study, who provides an educational program for which it awards academic degrees, and whose educational programs are available to the public."

Although MRI may perform some educational activities, our review of available information indicates that MRI is not a nonprofit educational institution whose primary function is education, whose programs are accredited by a nationally recognized accrediting agency or association, who is legally authorized to provide a program of organized instructions of study, and who provides an educational program for which it awards academic degrees. Thus, MRI does not meet the above criteria for a qualifying nonprofit educational institution, and I am unable to grant your request for a license fee exemption.

J. A. Mercer

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If you have any questions regarding this matter, please contact Ms. Renu Suri of my staff at 301-415-0161.

Sincerely,

***/RA/***

Jesse L. Funches  
Chief Financial Officer

J. A. Mercer

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If you have any questions regarding this matter, please contact Ms. Renu Suri of my staff at 301-415-0161.

Sincerely,

**/RA/**

Jesse L. Funches  
Chief Financial Officer

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**\*See previous concurrence**

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