

November 12, 1987

The State of Wyoming Department of
Environmental Quality
ATTN: Mr. Randolph Wood, Director
Herschler Building
122 West 25th Street
Cheyenne, WY 82002

Gentlemen:

This is in response to your July 8, 1987 letter requesting a waiver of the fees assessed by the Commission to Altair Resources, Inc., (Altair), a contractor for the State of Wyoming. The fees assessed were for the issuance of license SUA-1492 (Invoice F0754 - \$372) and Amendment No. 1 to the license (Invoice F0780 - \$150). You requested that I review the situation and waive the fees assessed Altair for the two invoices and any future licensing and inspection fees.

Our review indicates that the initial license was issued by the NRC in response to Altair's application dated August 29, 1986. Altair was the successful bidder on State of Wyoming Contract No. 9-00487. The award of the contract was the result of a bond forfeiture by Ogle Petroleum on the Bison Basin commercial in-situ leach facility. It is our understanding that Ogle Petroleum, the former licensee of the site, forfeited two surety bonds totaling about \$1 million and the State is holding the money to be used for restoration of the site.

Your letter indicates that the fees in this case are highly unreasonable and not in the public interest and that you feel neither the State nor Altair, your contractor, should be charged for the NRC licensing and inspection work on the Bison Basin project. As you know, State agencies are exempt from fees under 170.11 (a) (9) of the Commission's regulations. However, private commercial firms subject to NRC licensing and inspection regulations are to pay, to the fullest extent possible, the agency's costs of performing regulatory services. The fact that a commercial firm, like Altair, is performing work under contract to a State has not been considered a basis for exemption of fees. There are many licensees providing services to the Federal as well as State Governments that require licensing and inspection work to be performed by the NRC. In some of these cases, the total business is with the Government. All these licensees pay fees, some substantial in amount. Accordingly, we do not see, or agree, that there is a public interest to be served in relieving Altair of the licensing and inspection fees at the same time it retains a commercial advantage from the issued license.

November 12, 1987

If you have any questions concerning this matter do not hesitate to contact this office.

Sincerely,

Original signed by
Ronald M. Scroggins

Ronald Scroggins
Controller

DISTRIBUTION

Inspection Fee File
CJHolloway, LFMB
GJackson, LMFB
MRodriguez, ARM
DDandois, ARM
HPettingill, URFO, RIV
EHawkins, URFO, RIV
DSmith, URFO, RIV
VMiller, NMSS, HQ
ARM/DAF R/F
LFMB R/F (2)
DW/CJH2/Docket No. 40-8926
JBradburne, GPA

OFFICE: ARM/LFMB
SURNAME: CJHolloway:cr/rj
DATE: 11/2/87

OFFICE: ARM/DAF
SURNAME: GJohnson
DATE: 11/6/87

OGC *hms*
RSmith
11/4/87

ARM/FMC
LHiller
11/1/87

*Telephone concurrence
by Pete Garcia
URFO*

URFO/RIV
HPettingill
10/29/87

ARM/FMC
RMScroggins
11/1/87

ARM/DAF *kl*
EBlack
11/6/87