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DOCKET NO. 70-687

Union Carbide Corporation
Medical Products Division
ATTN: Mr. Marcus H. Voth
Manager, Nuclear Operations
P.O. Box 324
Tuxedo, New York 10987

Gentlemen:

On March 26, 1979, Amendment No. 3 to License SNM-639 was issued to authorize an increase in the total possession limit of U-235 from 4.6 kilograms to 13 kilograms. The increased possession limit changed the fee category for the license from 1G to 1D, as specified in §170.31 of the enclosed 10 CFR 170. Fee Category 1D is applicable to licenses authorizing the possession and use of 5 kilograms or more of U-235 for activities other than fuel processing and fabrication.

As a result of a recent review of the license file, we found that, through an oversight on our part, the proper fee category was not assigned at the time Amendment No. 3 was issued. As a result, Union Carbide was not assessed the correct fees for those health and safety and safeguards inspections conducted since March 26, 1979 for License SNM-639. The amount of the inspection fees, as well as the maximum number of billings for inspections conducted in a calendar year, is higher for a license in fee Category 1D than for a license in fee Category 1G. Consequently, the following inspection fees are due for License SNM-639 per fee Category 1D, for the period since March 26, 1979:

Safeguards inspections:

1. \$3,600 - NRC Invoice 1079M dated January 31, 1980, for the safeguards inspection conducted 4/24 - 4/27/79, Report No. 79-01, will be revised to assess a fee of \$7,600 minus the \$4,000 fee already paid by your Corporation.
2. \$7,600 - Safeguards inspection conducted 8/21-24/79, Report No. 79-04.

\$11,200 Total safeguards inspection fees due

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Safety inspections:

- 1. \$4,900 - Health and safety inspection conducted 5/14-16/79, Report No. 79-02.
- 2. \$4,900 - Health and safety inspection conducted 1/29 - 2/1/80, Report No. 80-02.

\$9,800 Total health and safety inspection fees due

The total amount due for health and safety and safeguards inspection fees is \$21,000.

We have notified the NRC Office of the Controller to bill you for the above fees. We apologize for our oversight and delay in notifying you of the correct inspection fees due for License SNM-639. If you have any questions concerning this matter, please let us know.

Sincerely,

Original Signed
Wm. O. Miller

William O. Miller, Chief
License Fee Management Branch
Office of Administration

Enclosure:
10 CFR 170

DISTRIBUTION:
License File ✓
LFMB R/F (2)
Gen. Insp. File
CJHolloway, ADM
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|---------|----------|----------|----------|------------|----------|--|
| OFFICE | FMB:ADM | LMB:ADM | LFMB:ADM | LFMB:ADM | | |
| SURNAME | ACabell | ba | Kohler | CJHolloway | WOMiller | |
| DATE | 10/28/80 | 10/29/80 | 10/3/80 | 10/4/80 | | |