

JUN 18 1985

Docket No. 70-687

Union Carbide Corporation  
ATTN: Mr. William G. Ruzicka, Manager  
Nuclear Operations  
Medical Products Division  
P.O. Box 324  
Tuxedo, New York 10987

Gentlemen:

This refers to your letter dated December 10, 1984, concerning our request for payment of a \$2,800 amendment fee for review of the May 18, 1980 physical security plan for License No. SNM-639. Your letter indicated that the renewal fee paid by your company in December 1980 for the subject license should also include the security plan review.

Please be informed, however, that NRC review of the physical security plan was conducted as a major safeguards amendment review and was not considered for fee purposes as part of the SNM renewal application which was filed nearly seven months later. The NRC Safeguards Licensing staff classified the plan for license fee purposes as a major safeguards review. Other SNM licensees who were also required by 10 CFR 73 to file similar security plans by May 18, 1980 were charged major safeguards amendment fees for those reviews. It was simply an oversight that a safeguards fee was not collected at the time you filed your plan. Accordingly, an amendment fee of \$2,800 was due at the time the plan was filed.

As stated in our December 4, 1984 letter, the fee for the reactor portion of the physical security plan was covered by the renewal fee paid for License R-81. A separate amendment fee was not charged because the NRC Office of Nuclear Reactor Regulation (NRR) specifically notified us that they considered the security plan review as a part of the reactor license renewal package and that the renewal fee would cover the review of the plan. We note in your May 18, 1980 letter, that the plan was sent to the attention of NRR "because of the current R-81 license renewal effort", and that the reactor renewal application was filed on May 23, 1980. While your SNM renewal application did refer to the security plan, such reference did not mean that for license fee purposes the renewal fee would automatically cover the plan. Perhaps if the renewal application had been filed with the Commission at the same time the security plan was filed and, more importantly, if the Licensing staff had classified the review as being a part of the renewal effort, then a separate amendment fee may not have been required. However, that was not the case. In addition to the plan

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being classified as a major safeguards amendment, the application for renewal of SNM-639 was not filed until December 23, 1980, and as stated earlier, the SNM fee for the security plan was due at the time the plan was filed in May 1980.

We realize the physical security plan was filed several years ago and that the fee omission should have been brought to your attention earlier. However, we did not discover the oversight until November 1984, and we are obligated to bring the matter of this outstanding fee to your attention. Consequently, we request that the \$2,800 amendment fee be remitted to this office.

Sincerely,

Original Signed by  
A. S. Cabell

Allen S. Cabell  
License Fee Management Branch  
Office of Administration

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