



OFFICE OF THE
CHIEF FINANCIAL
OFFICER

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

July 18, 2016

Ms. Jamie D. Ross
Director of Imaging Services
Carroll County Memorial Hospital
1502 North Jefferson Street
Carrollton, MO 64633

Dear Ms. Ross:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter dated March 30, 2016, disputing the charges and small entity status associated with the licensing fee issued to Carroll County Memorial Hospital.

The Small Business Act, 15.U.S.C. § 632, allows federal agencies to request approval of its size standards from the Small Business Administration (SBA). The NRC's current small business size standards were approved by the SBA, which uses the North American Industry Classification System as a basis for its size standards. The criteria for NRC's small business size standards can be found under Title 10 of the *Code of Federal Regulations* (CFR) at section 2.810. Among those criteria at 10 CFR § 2.810(c) are standards that allow "small government jurisdictions" to qualify for a reduced fee under certain circumstances.

On February 19, 2016, Carroll County Memorial Hospital applied for the small entity status under section 4B - a small governmental jurisdiction (including publicly supported educational institutions). But to qualify under section 4B, the entity must be a government of a city, county, town, township, village, school district, or special district with a population of less than 20,000. The NRC staff reviewed Carroll County Memorial Hospital's request and ultimately denied its request for small-entity status because it is a non-governmental, not-for-profit hospital. Carroll County Memorial Hospital is simply not a small governmental jurisdiction, nor is it a publicly supported educational institution. Therefore, it cannot rely on section 4B, or 10 CFR § 2.810(c).

NRC staff also reviewed prior-year records from Fiscal Year (FY) 2011 through 2015, which indicate that Carroll County Memorial Hospital applied for, and was erroneously granted, small-entity status under section 4B - A small governmental jurisdiction (including publicly supported educational institutions). The NRC small entity process requires the licensee to complete an NRC Form 526 "Certification of Small Entity Status for the Purposes of Annual Fees Imposed Under 10 CFR Part 171" to certify that they qualify as a small entity each fiscal year. This form is submitted for review and approval to reduce the fee to the applicable small entity fee amount. Each fiscal year, Carroll County Memorial Hospital applied, and was erroneously approved for small entity status under section 4B - A small governmental jurisdiction (including publicly supported educational institutions). The NRC mistakenly agreed that Carroll County Memorial Hospital was a small governmental jurisdiction and certified the hospital based on the population of Carroll County, Missouri.

The table below shows the total fees for which Carroll County Memorial Hospital was erroneously granted small entity status.

Fiscal Year	Invoice Number	Full 7C Fee Category Amount	Small Entity Fee Paid	Amount Erroneously Waived as Small Entity
2011	LFB 11-1622	\$ 7,600.00	\$ 400.00	\$ 7,200.00
2012	LFB 12-1768	\$ 8,400.00	\$ 500.00	\$ 7,900.00
2013	LFB 13-2500	\$ 8,600.00	\$ 500.00	\$ 8,100.00
2014	LFB 14-2318	\$ 9,000.00	\$ 600.00	\$ 8,400.00
2015	LFB 15-2310	\$ 9,900.00	\$ 600.00	\$ 9,300.00
Totals		\$ 43,500.00	\$ 2,600.00	\$ 40,900.00

At this time, Carroll County Memorial Hospital does not meet the NRC's small size standards under section 4B - A small governmental jurisdiction (including publicly supported educational institutions). Yet even so, Carroll County Memorial Hospital is a small rural, not-for-profit hospital—and as such, it would not be able to properly budget the finances needed to pay for the current year invoice. Therefore, due to Carroll County Memorial Hospital's inability to properly budget for the higher fee amount in this fiscal year, I find that paying the higher fees for current year invoice would cause extreme hardship and possibly jeopardize the ability to provide nuclear medicine services to Carroll County and the surrounding areas. Based on this information, I am able to grant your request for a one-time fee exemption for FY 2016 under 10 CFR 171.11 (c) - *The Commission may, upon application by an interested person or on its own initiative, grant an exemption from the requirements of this part that it determines is authorized by law or otherwise in the public interest.*

Further, NRC staff's review of prior-year records indicated that Carroll County Memorial Hospital applied for and was erroneously granted small-entity status. I also find that paying the higher fees for prior year invoices would cause extreme hardship and possibly jeopardize the ability to provide nuclear medicine services to Carroll County and the surrounding areas. For this reason, NRC will not pursue collection of the difference between the fees paid and the amount erroneously waived for FY 2011 through FY 2015.

Carroll County Memorial Hospital should take proactive measures and properly budget resources for future invoices going forward because the NRC will not be able to grant future waivers or certifications as a small entity unless Carroll County Memorial Hospital meets small entity size standards as defined under 10 CFR 2.810. If you are unable to pay the total fee with one payment, you may also arrange for a payment plan. As per 10 CFR 15.35 (b) Payments, a debtor may arrange an installment plan with the NRC for payment of fees if the debtor is unable to pay the invoice in one lump sum. Please note that currently all installment agreements require the payment of interest at 1% annually and an administrative charge of \$7.00 per period.

Please contact Mr. Dylan Oursler, of my staff at (301) 415-5825 for any payment plan related questions. Please contact Mr. William Blaney, of my staff at (301) 415-5092 for any fee related questions.

Sincerely,

/RA/

Maureen E. Wylie
Chief Financial Officer

Please contact Mr. Dylan Oursler, of my staff at (301) 415-5825 for any payment plan related questions. Please contact Mr. William Blaney, of my staff at (301) 415-5092 for any fee related questions.

Sincerely,

/RA/

Maureen E. Wylie
Chief Financial Officer

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OCFO R/F

Adams: Yes No Initials: WB SUNSI Review: WB

Publicly Available Non-Publicly Available Sensitive Non-Sensitive

***see previous concurrence**

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