



September 30, 2016

Mr. David D'Abate, Chief
OCFO/DOC/ARB
Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, MD 20852

RE: Billing related to activity code L00904

Dear Mr. D'Abate:

NRC recently communicated to WCS that a specific under-billing issue was identified. Between 2014 and 2016, NRC staff reportedly charged 675 hours to a non-fee recoverable activity code equating to \$185,431. This work was not previously billed to WCS and NRC is expected to invoice WCS for this work in October 2016. WCS also received invoice LFB16-4513 for \$29,346 dated July 21, 2016 for an additional 109.5 hours.

WCS is requesting additional details, including the relevant law, and examination of the hours spent and exactly what was involved in the accumulation of 784.5 hours of time. WCS has an NRC Order NRC-2009-0283 (ML092810374) ("SNM Order"). The most recent SNM Order was received in 2009 and WCS requested three amendments to the SNM Order in 2014 to facilitate the receipt of TRU waste from DOE and to facilitate the receipt of LLRW in transportation configurations that exceeded 350 grams. Only one of the amendments has been completed to date.

WCS was involved in two face-to-face meetings held with the NRC in relation to SNM Order and two larger conference calls. We also responded to written requests for additional information from NRC and had other discussions with the NRC project manager. Given the limited interactions between NRC and WCS staff, we are surprised by the large number of hours being invoiced by NRC for the SNM Order.

In order to validate the invoices WCS needs additional information, by amendment, including specific personnel who billed hours to the project (with a description of their roles) and the nature of the hours billed. Additionally please provide an explanation as to the number of hours

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billed or provide a discount on the number of hours. And thirdly, please provide the citation and explanation under the law for the billing, and back billing, of such hours to an SNM Order holder.

Based on the limited information we have to date, WCS is inclined to formally dispute the number of hours billed as they appear to be excessive considering the limited nature of the amendments; however WCS will await your response before making a final determination as to how we will proceed with this invoice.

Please feel free to contact me at (972) 450-4235 or rbaltzer@valhi.net or Carla Berlin, WCS Corporate Accounting Manager, at 972-448-1448 or cberlin@valhi.net if you would like to discuss this further.

Sincerely,

A handwritten signature in blue ink that reads "Rod Baltzer". The signature is written in a cursive style with a large initial "R".

Rod Baltzer
President & CEO

CC: Carla Berlin, WCS