



CHIEF FINANCIAL
OFFICER

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

June 30, 2017

Mr. Andrew Strike, General Manager
Lowham Walsh LLC
205 South Third Street
Lander, WY 82520

Dear Mr. Strike:

On behalf of the Nuclear Regulatory Commission (NRC), I am responding to your letter dated March 22, 2017, (Agency Documents Access and Management System Accession Number ML17082A263) requesting an exemption from the annual fee for License 49-29279-01 and to void Invoice LFB 17-2080 in the amount of \$3,950.00.

You have related the circumstances under which you were unable to transfer the radioactive materials in your possession to another licensee due to the NRC's timing in approving the license for William H. Smith and Associates, Inc. Because the successor licensee was unable to accept the radioactive materials until the license was approved, you were billed since you were in possession of the materials after October 1, 2016, the beginning of the current fiscal year.

The NRC policy for proration is set forth in 10 CFR 171.17, "Prorations." 10 CFR 171.17(b)(2) states:

Annual fees will be prorated for NRC licensees as follows:

Terminations. The annual fee will be prorated for licenses for which a termination request or a request for a POL [possession only license] has been received on or after October 1 of a FY [Fiscal Year] on the basis of when the application for termination or POL is received by the NRC provided the licensee permanently ceased licensed activities during the specified period. Licenses for which applications for termination or POL are filed during the period October 1 through March 31 of the FY are assessed one-half the annual fee for the applicable category(ies) for that FY. Licenses for which applications for termination or POL are filed on or after April 1 of the FY are assessed the full annual fee for that FY. Materials licenses transferred to a new Agreement State during the FY are considered terminated by the NRC, for annual fee purposes, on the date that the Agreement with the State becomes effective; therefore, the same proration provisions will apply as if the licenses were terminated.

According to 10 CFR §171.16 (d):

Annual fees will be assessed based on whether a licensee held a valid license with the NRC authorizing possession and use of radioactive material during the current FY.

A. Strike

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In other words, as long as a license is active, fees are incurred, irrespective of whether licensed materials are in use or have been transferred to another entity. Therefore, we are denying your request to cancel the invoice.

Please direct any questions regarding the settlement of your invoice to Ms. Jawanza Gibbs-Nicholson at 301-415-5245. If you have any other questions, please contact Mr. James E. Coyle of my staff at 301-415-6087.

Sincerely,

/RA/

Maureen E. Wylie

SUBJECT: LETTER TO ANDREW STRIKE IN RESPONSE TO AN EXEMPTION FROM THE ANNUAL FEE FOR LICENSE 49-29279-01, DATED: JUNE 30, 2017

ADAMS: Yes No Initials: JC SUNSI Review: JC
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

ADAMS Accession No: ML17139B765

***via e-mail CFO-0009**

OFFICE	DPB/LFPT	DOC/ARB	R-IV/DNMS	R-IV/DNMS	OGC	OCFO/DOC
NAME	JCoyle	JGibbs-Nicholson	JCook	VCampbell	JSuttenberg	DD'Abate
DATE	05/19/17	05/23/17	05/30/17	05/30/17	06/15/17	06/16/17
OFFICE	DPB/LFPT	DPB	DPB	DCFO	CFO	
NAME	MKaplan	RAIwein	BFicks	MCMuessle	MEWylie	
DATE	06/26/17	06/27/17	06/27/17	06/29/17	06/30/17	