



CHIEF FINANCIAL  
OFFICER

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

April 12, 2018

Mr. Duane Bollig, Director  
Environmental and Regulatory Affairs  
Water Remediation Technology, LLC  
5525 West 56<sup>th</sup> Avenue, Suite 100  
Arvada, CO 80002

Dear Mr. Bollig:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your August 16, 2017 (Agencywide Documents Access and Management System Accession No. ML17229B303) letter requesting that Water Remediation Technology, LLC (WRT) be exempted from its current full cost classification for service fees assessed under Part 170 of Title 10 of the *Code of Federal Regulations* (10 CFR). In addition, WRT requested that any outstanding invoices be placed in dispute status until the cost basis is resolved. For background, the NRC had been billing WRT for the full-cost of the NRC staff's review of WRT's December 21, 2016, application to renew its license and to expand the scope of its authorized activities to permit removal of uranium from non-drinking water resources. WRT's current license authorizes it to offer a water treatment program to remove uranium from drinking water at community water systems (CWS).

First, the NRC acknowledges that our review process was complicated by the fact that certain license conditions in WRT's original license were not consistent with the NRC's consultation responsibilities under the National Historic Preservation Act and the Endangered Species Act. To account for time spent remediating these license conditions, the staff reviewed the time charged beginning in December 2016 and is processing prior period adjustments of 152.25 hours. These adjustments account for a fee reduction of \$40,168.25.

Turning to WRT's fee waiver request, the NRC has established regulations for the granting of fee exemptions under 10 CFR 170.11, "Exemptions," for which licensees may apply in accordance with 10 CFR 170.5, "Communications." The NRC staff reviewed your request based on the following regulations, 10 CFR 170.11(b) and 10 CFR 170.11(a)(13):

*10 CFR 170.11(b) The Commission may, upon application by an interested person, or upon its own initiative, grant such exemptions from the requirements of this part as it determines are authorized by law and are otherwise in the public interest. Applications for exemption under this paragraph may include activities such as, but not limited to, the use of licensed materials for educational or non-commercial public displays or scientific collections.*

*10 CFR 170.11(a)(13) All fee exemption requests must be submitted in writing to*

*the Chief Financial Officer in accordance with § 170.5<sup>1</sup>, and the Chief Financial Officer will grant or deny such requests in writing.*

WRT is a uniquely situated licensee in that its primary business is to remove uranium from CWS. Although WRT recovers sufficient quantities of uranium such that it is required to obtain an NRC license (or a license from a participating agreement state), WRT's licensed material is not sold for profit; rather, WRT's licensed material is a waste product from its water treatment process. Currently, WRT is the only NRC licensee authorized to possess source material related to the removal of contaminants from drinking water. In addition, most of WRT's clients are small systems, some could be as small as 25 connections. Due to their small size, many such systems would be unable to bear the high cost for treatment and licensing to effectively remediate their water systems themselves. The operation of these systems without proper treatment can potentially expose members of the public to contaminant doses in excess of the limits established by the Environmental Protection Agency for CWS. Ultimately, charging WRT full-cost fees for this particular review—particularly given the circumstances described above—may result in WRT's services being cost prohibitive for these CWS. Thus, the NRC concludes it would be in the public interest to grant a one-time partial fee waiver for 25% of the fees for the license renewal and license amendment, after accounting for the prior period adjustments described above.

In sum, the NRC will process 152.25 hours of previously billed time through prior period adjustments and grants a partial fee waiver of 25% of the remaining billable amount. As a result of the prior period adjustments and partial fee waiver, the outstanding fee amounts for the license renewal and amendment will be \$84,747.75. All outstanding disputed invoices will be canceled and a new consolidated invoice for \$84,747.75 will be issued with a new revised due date in July 2018.

If payment of the fees in one lump sum represents an undue financial burden, you may request a payment plan for the invoices. 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 percent annually and an administrative charge of \$7.00 per period.

If you have any questions regarding this matter, please contact Mr. William Blaney, of my staff, at (301) 415-5092.

Sincerely,

/RA/

Maureen E. Wylie  
Chief Financial Officer

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<sup>1</sup> 10 CFR 170.5 provides that "All communications concerning the regulations in this part should be addressed to the NRC's Chief Financial Officer, either by mail to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; by hand delivery to the NRC's offices at 11555 Rockville Pike, Rockville, Maryland; or, where practicable, by electronic submission, for example, via Electronic Information Exchange, or CD-ROM."

SUBJECT: LETTER TO DUANE BOLLIG IN RESPONSE TO A FEE WAIVER DATED AUGUST 16, 2017, (WATER REMEDIATION TECHNOLOGY, LLC, PART 170 FEES), dated April 12, 2018

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**\*via e-mail    CFO-0009**

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