



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

October 26, 1989

The Honorable Floyd D. Spence
United States House of Representatives
Washington, DC 20515

Dear Congressman Spence:

I am responding to your letter of September 27, 1989, to Mr. John Bradburne concerning issues raised by your constituent, Mr. Gerald P. Motl, President of LN Technologies Corporation (LN). Mr. Motl is disputing contractual charges which the NRC staff assessed for the review of a topical report and is requesting a breakdown of the charges to determine whether the charges are fair and reasonable. Enclosure 1 to this letter provides a chronology of our correspondence with LN.

On June 15, 1989, the NRC staff sent Invoice H-1107 for \$19,653 to LN for costs incurred in the review of its topical report dated June 1988 entitled, "Qualified Radioactive Decontamination Resin Waste Forms." Of the \$19,653 assessed, \$19,339 was for contractual costs incurred by Brookhaven National Laboratory (BNL) for assisting the NRC staff in its review of LN's topical report. BNL is performing work for the NRC under its general contract with the Department of Energy (DOE). On June 26, 1989, LN disputed these costs and requested a detailed breakdown of the NRC charges. Between July 11, 1989 and September 1, 1989, NRC staff responded to LN's request for additional cost data, and LN submitted a partial payment of \$464.

A copy of our final response to LN dated October 13, 1989, is provided at Attachment J to Enclosure 1. Part 170.12(f) of the Commission's regulations specifies that fees for special projects, such as topical reports, are based on the full cost of review (including NRC staff-hour costs and contractual costs) and are payable upon notification by the NRC. Further, each applicant is billed at six-month intervals until the review is completed. We believe the costs incurred by BNL are fair and reasonable and that BNL has met the Commission's reporting requirements for fee purposes. All information provided by BNL has been forwarded to LN. We have requested that the balance due under Invoice H-1107 be paid immediately since it is past due. In accordance with current NRC fee regulations, LN will continue to be charged for all professional staff-hour and contractual costs expended for the review of its topical report.

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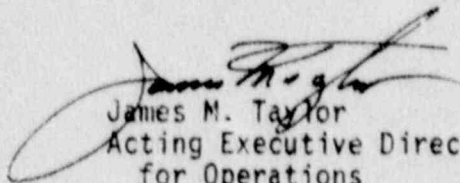
The Honorable Floyd D. Spence

- 2 -

A copy of the Commission's revised fee schedule published in the Federal Register on December 31, 1988, is provided at Enclosure 2. This revision, among other things, eliminates the \$20,000 maximum fee for review and approval of a topical report.

I trust this responds to your request.

Sincerely,



James M. Taylor
Acting Executive Director
for Operations

Enclosures:

1. Chronology of Correspondence
with LN Technologies Corporation
2. Commission Fee Schedule (10 CFR 170)

Chronology of Correspondence with LN Technologies Corporation (LN)

- 07/08/88 - LN files its Topical Report, LN-88-001, dated June 1988 for review and approval under the NRC's topical report program. A \$150 filing fee is paid. At this time the maximum fee for review and approval of a topical report is \$20,000. Subsequently, the fee ceiling is eliminated.
- 11/14/88 - The NRC staff sends Brookhaven National Laboratory (BNL) a Statement of Work (Attachment A) for assistance in reviewing the topical report. BNL is one of the several national laboratories the staff uses to assist in reviewing license applications.
- 01/19/89 - BNL reports review costs of \$19,339 on the Financial Status report (Attachment B) dated December 1988.
- 02/08/89 - NRC staff report review costs through 12/31/88 of \$464 (Attachment C).
- 06/15/89 - Invoice H-1107 (Attachment D) is issued to LN for \$19,653 for costs incurred during the period 7/8/88-12/31/88 ($\$464 + \$19,339 - \$150 = \$19,653$).
- 06/26/89 - LN disputes invoice amount and requests a breakdown of charges (Attachment E).
- 07/11/89 - NRC staff responds to 6/26/89 request for information and submits background data on charges (Attachment F).
- 07/26/89 - LN submits letter (Attachment G) and partial payment of \$464 and disputes BNL's costs of \$19,339.
- 08/29/89 - NRC staff responds to 7/26/89 request, acknowledges receipt of \$464, and requests balance of invoice be paid promptly pending staff response from BNL on additional background data (Attachment H).
- 09/01/89 - LN submits letter (Attachment I) stating it cannot accept 8/29/89 NRC staff response and requests another extension until such time as backup data can be made available to them from BNL.
- 10/13/89 - NRC staff responds to 09/01/89 letter indicating that BNL has met our reporting requirements for fee purposes and that we believe the costs incurred by BNL are fair and reasonable (Attachment J).

Attachments:
As stated

Enclosure-1



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A copy of our final response to LN dated October 13, 1989 is provided at

*See previous
Concerned*

:OC/LFDCB	:OC/LFDCB	:OC	:OGC	:NMSS	:OC/DAF	:OC/DAF
E :DWeiss	:DBBandois	:CJHolloway	:RSmith	:MTokar	:EKBlack	:GDJohnson
E :10/20/89	:10/23/89	:10/ /89	:10/ /89	:10/ /89	:10/23/89	:
:OC	:OC	:OGC	:GPA/CA	:	:	:
E :HMiller	:RMSBoggins	:JMTokar	:DR	:	:	:
E :10/1/89	:10/21/89	:10/25/89	:10/26/89	:	:	: