



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

Docket 50-228

October 23, 2020

CHIEF FINANCIAL
OFFICER

Dr. David M. Slaughter
President and Reactor Administrator
Aerotest Operations, Inc.
3455 Fostoria Way
San Ramon, CA 94583

Dear Dr. Slaughter:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter dated September 16, 2020 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML20267A141). Your letter stated that you are continuing to dispute \$22,796 of the \$24,047 in fees the NRC assessed to Aerotest Operations, Inc. (Aerotest) under 10 CFR §170.21 within invoice LFB 20-1849, dated January 15, 2020 (your letter stated that you are no longer disputing the remaining \$1,251 in fees assessed in invoice LFB 20-1849). Your letter stated the charges you continue to dispute “are intertwined with an audit [in December 2019] that clearly failed its purpose and added no value.” Your letter also requested that I separate the costs associated with the audit from other costs in the invoice. Finally, your letter suggests that a third-party mediator could assist us in finding a remedy for this invoice dispute.

Previously, you sent the NRC other letters, dated February 11, 2020 (ADAMS Accession No. ML20049A037), March 30, 2020 (ADAMS Accession No. ML20188A223), and June 24, 2020 (ADAMS Accession No. ML20188A222), which requested additional information regarding the fees in invoice LFB 20-1849 (including an estimate of the portion of the fees that is associated with the December 2019 audit), and also questioned the validity of those fees. I responded to your letters by letters dated March 13, 2020 (ADAMS Accession No. ML20073E318), and August 31, 2020 (ADAMS Accession No. ML20267A141).

In my March letter, I confirmed the charges in invoice LFB 20-1849 are valid, explained the activities associated with the charges, and discussed how the charges are determined. In my August letter, I again confirmed that all of the charges are accurate and valid, and additionally explained that I am unable to provide a more detailed estimate of the charges specifically associated with the audit because NRC staff tracks time processing any license amendment request by using a unique project code, but does not track time at the level of detail you requested. As previously noted, the NRC tracks staff charges for License Amendment Requests at the level of detail deemed appropriate to ensure proper validation and accurate assessment of charges and bills accordingly. Furthermore, in providing my final determination on your fee dispute, my August letter stated that as of the date of that letter, the invoice would be taken out of ‘dispute’ status and payment would be due immediately.

My August letter also explained the reasons and justification for the December 2019 audit, and stated that NRC staff prepared for and conducted the audit consistent with NRC policy and

guidance, and in response to Aerotest's proposed activities. However, I note that, notwithstanding your perceived value of NRC staff's effort related to the audit, pursuant to 10 CFR 170.21, NRC staff time for reviews of research reactor amendments is billed on a "full cost" basis, reflecting the actual effort (in hours) expended by NRC staff in support of the review. As stated in your June letter, you are "not disputing that [NRC staff] actually worked the time they charged."

Your letter included the statement, "A remedy may be quickly found for the disputed amount if we allow a third-party to assist us in finding a remedy." There are no provisions within 10 CFR Part 15, Debt Collection Procedures, to allow for a third-party mediator to provide a remedy for an invoice dispute. Should you wish to avail yourself under any other provisions under 10 CFR Part 15, you should do so only in accordance with the provisions as stated.

In summary, I made a final determination on this matter in my letter dated August 31, 2020, and consider this matter closed. The invoice was taken out of dispute status on August 31, 2020, and debt collection procedures will continue in accordance with 10 CFR Part 15 for the outstanding amount.

Please direct any questions regarding the settlement of invoice LFB 20-1849 to Ms. Carly Nelson-Wilson of my staff at (301) 415-8147. For further questions regarding billing, please contact Ms. Kelly Riner of my staff at (301) 415-6246. Lastly, for questions about the technical work being performed as it relates to your license, please contact Mr. Edward Helvenston at (301) 415-4067.

Sincerely,

Cherish K. Johnson, CFO
Office of the Chief Financial Officer

SUBJECT: RESPONSE LETTER TO AEROTEST DOCKET 50-228, DATED: October 23, 2020

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ADAMS: ☒ Yes ☐ No Initials: MB Sunsi Review by: NA
☒ Publicly Available ☐ Non-Publicly Available ☐ Sensitive ☒ Non-Sensitive

ADAMS: ML20289A477(Memo) ML20238B829(Pkg)

OFFICE	OCFO/DOC/LAFBB	NRR	OCFO/DOC/FSOB	OCFO/DOB/FBT
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OFFICE	OGC	OCFO/DDOC	OCFO/DOC	DCFO
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