

October 25, 2000

Mr. Dean Balamaci, Director
Business and Agency Liaison Division
U.S. Department of the Treasury
Financial Management Service
401 14th Street, SW Room 154
Washington, DC 20227

Dear Mr. Balamaci:

The purpose of this letter is to advise you of the Nuclear Regulatory Commission's process in referring delinquent debts to the Department of the Treasury for collection through our cross-servicing agreement. The following three steps outline our regular internal debt collection strategy.

1. Each month those accounts that are 61-90 days delinquent are identified. The debtor is phoned to determine if the debtor intends to pay (in accordance with 10 CFR Part 15 and the Federal Claims Collection Standards). If the phone call does not result in payment or a payment plan, we proceed to step 2 if the debtor is an NRC licensee, or step 3 if the debtor does not hold an NRC license.
2. Issue an Order Revoking License (in accordance with 10 CFR Part 2) for nonpayment of fees to those licensees with valid licenses. The Order provides for the licensee or any other person adversely affected by the Order to submit an answer to the Order or to request a hearing. The suspension of the license is effective immediately; however, the Order allows 30 days before the license is revoked. We consider all debts that are tied up in the Order process to be in a formal appeals process because actions by the licensee may result in a cancellation of the debt, an adjustment of the debt, or a determination the debt is not legally enforceable. If the license is revoked for nonpayment of fees, it has been determined the debt is valid and legally enforceable and is then referred to Treasury for cross-servicing. The NRC has not been referring to Treasury the debts currently involved in this process even though the debt may become delinquent over 180 days.
3. For those licensees who do not have a valid license, these debts are referred to Treasury for cross-servicing after step 1 is completed.

The Order Revoking License process is explained since in certain instances the issuance of an Order to revoke a license may extend beyond the 180 day required referral period. The NRC believes that it is not appropriate to refer this type of debt when it reaches 180 days delinquent as we would have to curtail our Order process for termination of the license and halt our internal collection efforts. We believe we should exhaust all internal administrative remedies, e.g., revocation of the license, prior to referral to Treasury.

D. Balamaci

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Please advise us if you have any objections to our internal debt collection strategy, specifically with regard to not referring debt over 180 days old if involved in the Order Revoking License process.

If you require additional information or clarification, please contact Leah Tremper at 301-415-7347.

Sincerely,

R/A

James Turdici, Director
Division of Accounting and Finance
Office of the Chief Financial Officer

D. Balamaci

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Please advise us if you have any objections to our internal debt collection strategy, specifically with regard to not referring debt over 180 days old if involved in the Order Revoking License process.

If you require additional information or clarification, please contact Leah Tremper at 301-415-7347.

Sincerely,

James Turdici, Director
Division of Accounting and Finance
Office of the Chief Financial Officer

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