

June 2, 1997

Environmental Enterprises, Inc.
ATTN: Gary M. Davis
Vice President
10163 Cincinnati - Dayton Road
Cincinnati, OH 45241

Dear Mr. Davis:

I am responding to your April 25, 1997, letter returning the Second Notice (Overdue) sent to Environmental Enterprises, Inc., for Invoice AM2618-97. You also enclosed a copy of Amendment No. 02 issued April 2, 1997, terminating Environmental Enterprises, Inc., Materials License 34-26567-01. The license was terminated based on your requests dated October 24, 1996, February 18, 1997, and March 18, 1997. You do not believe the fee is due based on information furnished.

The annual fee invoice for FY 1997 covers the period from October 1, 1996, to September 30, 1997. An amendment request filed after October 1 of each fiscal year to cancel a license does not cancel the annual fee invoice. Footnote 1 of 10 CFR 171.16 provides that the annual fee is waived when a license is terminated prior to October 1 of each fiscal year. The FY 1997 annual fee was prorated based on your October 24, 1996, February 18, 1997, and March 18, 1997, requests and the NRC's regulations (10 CFR 171.17) which provide that materials licensees who filed for termination during the period October 1, 1996, through March 31, 1997, are assessed one-half the FY 1997 annual fee. The amount billed on Invoice AM2618-97 reflects the 50 percent proration.

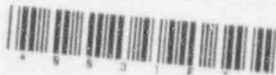
However, I note your October 24, 1996, letter states "As previously relayed to you by myself and Mr. Collier, effective August 9, 1996, Mr. Conaway resigned as EEI's Radiation Safety Officer. Effective the same date, EEI ceased all operations generated by the license."

Based on the information provided, NRC: 1) grants an extension of time to file for termination for purposes of avoiding the FY 1997 annual fee to October 24, 1996; 2) acknowledges you ceased all licensed activity by September 30, 1996; and 3) acknowledges License 34-26567-01 was terminated April 21, 1997, based on your October 24, 1996, requests.

Invoice AM2618-97 has been cancelled.

If you have any questions concerning this matter, please contact Shirley Crutchfield at 301-415-6097.

9706060300 970602
PDR ADOCK 03033471
C PDR



Sincerely,

Original signed by Jesse Funches

Jesse L. Funches
Chief Financial Officer

Distribution:

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License File 34-26567-01 w/cy inc
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