



CHIEF FINANCIAL
OFFICER

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

July 2, 2021

Mr. James C. Teeters
Corporate Radiation Safety Officer
Desert NDT, LLC dba Shawcor
4851 Blue Mound Rd
Fort Worth, TX 76106

Dear Mr. Teeters:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter, which was dated May 12, 2020 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML21134A161). In the letter, you requested a reduction of the annual fee on Invoice No. LFB 20-3301, Docket No. 03038821, related to the fiscal year (FY) 2020 annual fee.

In your letter, you indicate that your business has suffered due to the COVID-19 pandemic and were forced to find areas where you could cut costs. In addition, you state that on August 24, 2020, a request for termination of your NRC license was submitted and you applied for a Reciprocity License to maintain a commitment to your customers within NRC jurisdiction. Finally, you state that work continued to be pushed back and, in some cases, canceled all together due to the pandemic and your revenue was reduced to less than 50-percent of your annual projections. You request a reduction in fees associated with the termination of your license.

The NRC's regulations specify when an annual fee may be prorated upon termination of a materials license. This information is set forth in Footnote 1 of 10 CFR 171.16 and 10 CFR 171.17. Footnote 1 of 10 CFR 171.16 provides as follows:

Annual fees will be assessed based on whether a licensee held a valid license with the NRC authorizing possession and use of radioactive material during the current FY. The annual fee is waived for those materials licenses and holders of certificates, registrations, and approvals who either filed for termination of their licenses or approvals or filed for possession only/storage licenses before October 1 of the current FY, and permanently ceased licensed activities entirely before this date. Annual fees for licensees who filed for termination of a license, downgrade of a license, or for a possession-only license during the FY and for new licenses issued during the FY will be prorated in accordance with the provisions of §171.17. . .

Based on the provision above, when you hold a materials license during the current FY, fees are incurred irrespective of whether licensed materials are in use. The proration provision in 10 CFR 171.17(b)(2) provides that the "annual fee will be prorated for licenses for which a termination request . . . has been received on or after October 1 of a FY *on the basis of when the application for termination . . . is received* by the NRC provided the licensee permanently

ceased licensed activities during the specified period. Licenses for which applications for termination . . . are filed during the period October 1 through March 31 of the FY are assessed one-half the annual fee for the applicable category(ies) for that FY.” The federal government operates on a FY calendar, which begins on October 1 and ends on September 30 (e.g., FY 2020 started on October 1, 2019, and ended on September 30, 2020). Desert NDT, LLC dba Shawcor needed to file for termination of its license or for a possession-only license by October 1, 2019 for it not to be charged an FY 2020 annual fee, or by March 31, 2020, to be charged a prorated annual fee for Invoice No. LFB 20-3301. Your termination request was not received by the NRC until August 24, 2020 (ADAMS Accession No. ML20245E512) and supplemented by your October 21, 2020 submission of NRC Form 314 “Disposition of Materials” (ADAMS Accession No. ML21159A237). Therefore, Desert NDT, LLC dba Shawcor is not eligible for proration under these regulations and is responsible for the full FY 2020 annual fee.

We also considered whether the NRC could grant an exemption that would allow you to pay a reduced annual fee under the provisions in 10 CFR 171.11. However, based on the information provided in your letter, we have determined that you have not met the criteria for the NRC to grant an exemption under 10 CFR 171.11.

If you are unable to pay Invoice LFB 20-3301 with one payment, you may also arrange for a payment plan. As per 10 CFR 15.35(b), 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. An installment plan is available for up to 36 months, starting from the date on which the installment agreement is entered. 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.

Please direct any questions regarding the payment plan or settlement of invoice LFB 20-3301 to Ms. Carly Nelson-Wilson of my staff at (301) 415-3479. Please contact Mr. Billy Blaney of my staff at (301) 415-5092 for any fee-related questions.

Sincerely,

Cherish K. Johnson
Chief Financial Officer

SUBJECT: LETTER TO JAMES TEETERS, SHAWCOR, IN RESPONSE TO A FEE
EXEMPTION REQUEST DATED MAY 12, 2021; RESPONSE LETTER
DATED JULY 2, 2021

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ADAMS: ☒ Yes ☐ No Initials: WB SUNSI Review: WB

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ADAMS Accession No: ML21158A207 (package); ML21134A161 (incoming);

ML21158A206 (Response letter) *via e-mail

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