

May 29, 2008

Merck and Company, Inc.  
Attention: Radiation Safety Officer  
P.O. Box 4, WP44-204  
770 Sumneytown Pike  
West Point, PA 19486-0004

Dear Radiation Safety Officer:

The Office of the Chief Financial Officer has completed a review of all active small materials licenses. This review covered fiscal years 2002 through 2007 and was in response to a material weakness in our fee billing process that was identified by our independent auditors. As a result of the review we found administrative billing errors due to a misinterpretation of the material usage in your license, resulting in the incorrect assessment of annual fees.

The U.S. Nuclear Regulatory Commission (NRC) assesses annual fees based on whether a licensee holds a valid NRC license that authorizes possession and use of radioactive materials. Therefore, your license is subject to the annual fees in 10 CFR 171.16 of the Commission's annual fee regulations. There is no statute of limitations which bars collection of annual fees owed to the NRC and we are required by Federal Claims and Collections Standards to collect any known valid debt.

Enclosed are revised invoices containing the correct assessment of annual fees for each fiscal year that was affected. If applicable, NRC Form 577 will also be enclosed for any application fee resulting from the new fee category assessment. Accrual of interest on the amount due becomes effective as of the revised invoice date. However, we will waive interest if the amount due is paid within 30 days after the invoice date. Also enclosed are Certificates of Small Entity and a credit card authorization form if you wish to make payment by credit card. If you determine that you qualify as a small entity, please complete the form for each fee year affected and return it with the reduced payment (i.e., \$2,300 or \$500).

Additionally, if payment of this debt in one lump sum represents an undue financial burden, you may request an installment payment plan. If the installment plan is requested within 30 days from the date of this letter, we will waive the interest and administrative charges.

Merck and Company, Inc.

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Please send your payment to U.S. Nuclear Regulatory Commission, P.O. Box 979051, St. Louis, MO 63197-9000. You may contact Ms. Shirley Crutchfield, of my staff, at 301-415-6097 for questions related to your annual fees. Please contact Ms. Sherry Titherington-Buda, at 301-415-6106, if you have questions regarding an installment plan or credit card payments.

Sincerely,

/RA/

Mona S. Williams, Chief  
License Fee Team  
Division of Financial Management  
Office of the Chief Financial Officer

Enclosures:  
As Stated

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Mona S. Williams, Chief  
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