

March 11, 2009

Mr. Bruce E. Manor
President
Diagnostic Radiology Systems, Inc.
3475 Richmond Road, Suite 110
Lexington, Kentucky 40509

Dear Mr. Manor:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your February 3, 2009, letter requesting a fee waiver under 10 CFR 171.11(d)(3). For the reasons set forth below, I have granted your request.

You provided documentation that you sold the company that held the license and transferred the responsibility for the radioactive materials to the purchaser on October 1, 2007. As a result, effective on that date, the radioactive sources were transferred to the purchaser's license. Since you no longer possessed the materials, you were not regulated by the NRC during the fiscal year that began on October 1, 2007. Hence, I have granted you a fee waiver for Fiscal Year 2008 annual fees, after determining pursuant to 10 CFR 171.11(d)(3) that imposition of an annual fee would not result in a fair and equitable allocation of NRC costs.

Please contact Mona Williams of my staff at 301-415-7389, for any fee-related questions.

Sincerely,

/RA/
J. E. Dyer
Chief Financial Officer

