

TO: Diane
Dandis

NOTATION VOTE

NOTE: SENSITIVE
INFORMATION - LIMITED
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COMMISSION DETERMINES
OTHERWISE

RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary
FROM: COMMISSIONER DIAZ
SUBJECT: SECY-99-053 - FY 1999 FEE RULE

Approved Disapproved _____ Abstain _____
Not Participating _____

COMMENTS:

See attached comments.

Neil J. ...
SIGNATURE

2.24.99
DATE

Entered on "AS" Yes No _____

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C/S

COMMISSIONER DIAZ'S COMMENTS ON SECY-99-053: FY 1999 FEE RULE

I approve the staff's recommendation to rebase annual fees in FY 1999.

Considering the cumulative effects of the various programmatic, budgetary, and fee policy changes of the last several years, it is clear that use of the percent change method is not appropriate.

While rebaselining with a 50% cap has some merit in terms of mitigating the severity of fee increases on certain licensees, large changes in fees were foreseen when the Commission adopted the current approach of rebaselining every five years. Moreover, it is possible that, since this option would not be a true rebaselining under the current policy, we may be required to rebase next year. Should this not come to pass, and we rebase with a 50% cap in FY 1999, we would perpetuate a subsidy that, given current projections, would only be magnified every year until the next rebaselining. Such a scenario is not consistent with the spirit of OBRA-90, which obligates the NRC to ensure that annual fees have a reasonable relationship to the costs of providing services.

In light of the experience gained with the 1995 policy on annual fees, the staff should, in the Federal Register notice for this rulemaking, specifically solicit comments on whether we should continue with the policy of rebaselining every several years, or return to annual rebaselining.