

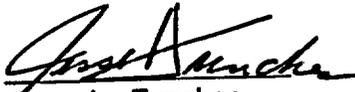
Approved for Publication

By memorandum dated February 18, 1997, the Commission delegated to the CFO the authority to develop and promulgate rules as defined in the APA (5 U.S.C. 551(4)), subject to the limitations of that memorandum.

The attached proposed rule amends 10 CFR Parts 170 and 171. These amendments are necessary to implement the requirements of Public Law 101-508 to recover approximately 100 percent of the NRC's FY 2000 budget authority through license and annual fees.

The proposed rule is consistent with Commission fee policy decisions, does not constitute a significant question of policy, nor does it amend regulations contained in 10 CFR Part 7, 8 or 9 Subpart C concerning matters of policy. I therefore find that this rule is within the scope of my rulemaking authority and am proceeding to issue it.

March 14, 2000


Jesse L. Funches
Chief Financial Officer

OPA

DRAFT

(Source: OCFO draft rulemaking package))

***NRC SEEKS COMMENT ON PROPOSAL TO AMEND
LICENSING, INSPECTION AND ANNUAL FEES***

The Nuclear Regulatory Commission is seeking comment on the proposed fees it charges to licensees for fiscal year 2000.

The agency is statutorily required to collect nearly all of its operating budget through two types of fees. One type is for NRC services such as licensing and inspection activities. The other is an annual fee paid by all licensees, which recovers generic regulatory expenses and other costs not recovered through fees for service. These fees are contained in Commission regulations 10 CFR Part 170 (licensing and inspection services) and 10 CFR Part 171 (annual fees).

For fiscal year 2000, the Commission must recover \$447.0 million in fees. This does not include \$19.15 million appropriated from the Nuclear Waste Fund for high-level waste activities. Neither does it include \$3.85 million appropriated for NRC's activities related to selected reviews for the Department of Energy and other federal agencies. Funding for these activities is excluded from license fee revenues by law. The total amount to be recovered in fees is about \$2.6 million less than that recovered the previous fiscal year.

However, the proposed FY 2000 annual fees are about 1.4 percent higher than the previous year for a number of reasons. An overcollection of \$4.1 million from FY 1998 was available to reduce the amount to be recovered through annual fees for FY 1999. There is no overcollection from FY 1999 to reduce the FY 2000 annual fees. In addition, the number of licensees paying annual fees has decreased. There are about 530 fewer materials licensees paying annual fees because they were transferred from NRC to Ohio which, as an Agreement State, assumed regulatory oversight of the materials licensees operating in the state.

Also, there is a \$3 increase over FY 1999 in hourly rates proposed for NRC inspection and other professional staff services. This results primarily from the pay raises given to all federal employees. The proposed hourly rates are \$144 for reactor program activities and \$143 for the nuclear materials program activities.

In accordance with the Regulatory Flexibility Act that requires agencies to minimize impacts of rule changes on small businesses, the NRC reviewed its fees established in 1991 and 1992 for such businesses. Changes in economic circumstances, the NRC fee structure, and fee-setting practices in Agreement States call for a proposed increase.

The NRC is proposing to increase the maximum annual fees for small entities -- those businesses that qualify for paying reduced annual fees -- from the current \$1,800 to \$2,300, and the maximum annual fee for such businesses with relatively low gross receipts or supporting populations, from the current \$400 to \$500.

The proposed FY 2000 annual fees for some licensees are as follows:

<u>Categories of Licensees</u>	<u>FY 2000 Annual Fee</u>	<u>FY 1999 Annual Fee</u>
Power Reactors (including spent fuel storage/reactor decommissioning annual fee for FY 1999)	\$ 2,815,000	\$ 2,776,000
High-enriched Uranium Fuel Facility	3,327,000	3,281,000
Low-enriched Uranium Fuel Facility	1,116,000	1,100,000
Radiographers	14,900	14,700
Broad Scope Medical	28,100	27,800
Distribution of Radiopharmaceuticals	3,800	3,800

Written comments on the proposed amendments to 10 CFR Parts 170 and 171 of the Commission's regulations should be received within 30 days after publication in the Federal Register. They should be addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, D.C., 20555-0001, ATTN: Rulemakings and Adjudications staff. Comments also may be submitted via the NRC's electronic rulemaking Web site at <http://www.nrc.gov>

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