



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

March 16, 2000

The Honorable James M. Inhofe, Chairman  
Subcommittee on Clean Air, Wetlands, Private  
Property and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

The Omnibus Budget Reconciliation Act of 1990, as amended, requires that the NRC recover approximately 100 percent of its budget authority, less the appropriation from the Nuclear Waste Fund, for Fiscal Years 1991 through 2000 by assessing license and annual fees. For FY 2000, the NRC must collect approximately \$447.0 million through these fees.

In order to comply with the law, the Commission is amending its fee regulations in 10 CFR Parts 170 and 171. The proposed amendments to 10 CFR Part 170 would revise the professional hourly rates and "flat" licensing fees to reflect the costs of providing NRC licensing services to applicants and licensees.

The proposed amendments to 10 CFR Part 171 would establish the amount of the FY 2000 annual fees to be assessed to operating reactors, fuel cycle licensees, transportation certificate holders, and materials licensees to recover costs not recovered through 10 CFR Part 170 fees. The FY 2000 proposed annual fees will increase by about 1.4 percent as compared to FY 1999. The slight increase in the annual fees results primarily from a reduction in the number of licensees paying fees and a reduction in offsetting receipts compared to FY 1999.

Those NRC licensees that can qualify as a small entity under NRC's size standards will continue to be eligible to pay reduced annual fees. However, the Commission is proposing a 25 percent increase to those reduced fees to reflect the changes in NRC policy affecting the types of costs included in the annual fees and increases to those costs. These fees have not changed since initially introduced in FY 1991 and 1992. When the NRC established the reduced annual fee, it was only one component of the total fee assessed by the NRC to small entities. Although inspection, renewal, and amendment fees for materials licensees have now been eliminated and the costs of these activities included in the annual fees, the small entity reduced annual fee has remain unchanged. The proposed 25 percent increase is consistent with the percentage increase since FY 1991 in total fees paid by other materials licensees.

The Honorable James M. Inhofe, Chairman

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Enclosed is a copy of the proposed rule which is being transmitted to the Federal Register for publication. The notice provides for a 30-day public comment period.

Sincerely,

A handwritten signature in black ink that reads "Dennis K. Rathbun". The signature is written in a cursive style with a large, prominent initial "D".

Dennis K. Rathbun, Director  
Office of Congressional Affairs

Enclosure: Proposed Revision to  
10 CFR Parts 170 and 171

cc: Senator Bob Graham

Enclosed is a copy of the proposed rule which is being transmitted to the Federal Register for publication. The notice provides for a 30-day public comment period.

Sincerely,

/s/ Dennis K. Rathbun

Dennis K. Rathbun, Director  
Office of Congressional Affairs

Enclosure: Proposed Revision to  
10 CFR Parts 170 and 171

cc: Senator Harry Reid

IDENTICAL LETTERS SENT TO: ATTACHED LIST

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**IDENTICAL LETTERS SENT TO:**

**The Honorable James M. Inhofe, Chairman  
Subcommittee on Clean Air, Wetlands, Private  
Property and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, DC 20510**

**cc: Senator Bob Graham**

**The Honorable Joe Barton, Chairman  
Subcommittee on Energy and Power  
Committee on Commerce  
United States House of Representatives  
Washington, DC 20515**

**cc: Representative Rick Boucher**

**The Honorable Pete V. Domenici, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, DC 20510**

**cc: Senator Harry Reid**

**The Honorable Ron Packard, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515**

**cc: Representative Peter J. Visclosky**

**The Honorable John R. Kasich, Chairman  
Committee on the Budget  
United States House of Representatives  
Washington, DC 20515**

**cc: Representative John M. Spratt, Jr.**

**The Honorable Pete V. Domenici, Chairman  
Committee on the Budget  
United States Senate  
Washington, DC 20510**

**cc: Senator Frank R. Lautenberg**