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

August 12, 1988

MEMORANDUM FOR: Victor Stello, Jr., Executive Director
for Operations

FROM: Samuel J. Chilk, Secretary

SUBJECT: STAFF REQUIREMENTS - AFFIRMATION/DISCUSSION
AND VOTE, 4:15 P.M. FRIDAY, AUGUST 5, 1988,
COMMISSIONERS' CONFERENCE ROOM, ONE WHITE
FLINT NORTH, ROCKVILLE, MARYLAND
(OPEN TO PUBLIC ATTENDANCE)

SECY-88-225 - INTERIM RULE FOR COLLECTION OF REQUIRED
FEES MANDATED BY CONGRESS (PUBLIC LAW 100-203)

The Commission by a 4-0 vote approved interim revisions to 10 CFR
Parts 170 and 171 which would lift certain license fee ceilings
to provide for NRC collection of not less than 45% of its budget
through license fees.

The attached modifications were also approved.

(Subsequently on August 8, 1988 the Secretary signed the Federal
Register Notice).

Attachment:
As Stated

Copies:
Chairman Zech
Commissioner Roberts
Commissioner Car
Commissioner Rogers
OGC
GA
DCS P1-124
PDR - Advance

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SUPPLEMENTARY INFORMATION

On June 27, 1988, the NRC published in the Federal Register (53 FR 24077)

a proposed rule that would amend its regulations in 10 CFR Parts 170 and 171.

This revision is necessary to update the current fees and to implement recently

enacted legislation. The proposed amendments would: by change the hourly

rate under Part 170; remove fee ceilings on certain collections under Part

170; charge for each routine and nonroutine inspection; raise the annual

fee under Part 171 when necessary, based on the principle that those licensees

requiring the greatest expenditure of resources should pay the greatest fee;

include collections from the Department of Energy Nuclear Waste Fund in

agency collections; remove the application fee and deferring recovery of

costs for standardized reactor designs; and removing amendment applications

filing fees for reactors and reactor-related (topical) reports. Most of these proposals are intended to help the NRC meet its statutorily mandated

requirement to recover not less than 45 percent of its budget for each

of fiscal years 1988 and 1989 through fees and other collections authorized by law.

The increase in collections from 33 percent of the NRC's budget to not less

than 45 percent is mandated by section 5601 of the Omnibus Budget Reconciliation

Act of 1987 (OBRA - Publ. L. 100-203).

In its Federal Register notice on proposed amendments to 10 CFR Parts 170

and 171, the Commission requested comments on a second option for recovery of

not less than 45 percent of its budget. Under that option, the Commission

would not amend 10 CFR Parts 170 and 171 other than to raise the annual fee

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The adjusted invoices based on this interim rule will be sent to licensees on approximately August 15, 1988, after the rule is published in the Federal Register. These invoices will be due and payable upon issuance. In accordance with current regulations, interest on the invoices will be waived if the invoices are paid within 30 days of their issuance. Licensees were notified with their April and July quarterly invoices under 10 CFR Part 171 that there would be an additional invoice, based on the new statute, in FY88.

Adoption of the second option for FY88 requires that 171.15 be amended to reflect collections of not less than 45 percent instead of the current 33 percent ceiling on total fee collections. This interim rule will apply only to FY88 and will be superseded by the final rule after the Commission fully concludes comments it received in response to its proposed revision of 10 CFR Parts 170 and 171 published in the Federal Register on June 27, 1988. The final rule will apply to fees for FY89.

In order to comply with OBRA, the Commission is required to collect \$177 million in FY88. Based on current estimated collections under 10 CFR Part 170 of \$41.3 million and anticipated total collections under 10 CFR Part 171 of \$99.5 million, the Commission must collect an additional \$36.2 million in order to reach the collections objective.

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Accordingly, the FY88 annual fee adjustment is \$350,000 for each licensed power reactor. The annual fees for those plants previously granted a