

May 10, 2001

USEC, Inc.
ATTN: Mr. Steven A. Toelle
Director, Nuclear Regulatory Affairs
6903 Rockledge Drive
Bethesda, MD 20817-1818

Dear Mr. Toelle:

This refers to your March 28, 2001, letter disputing certain charges on Invoice No. FL0169-01 and requesting a refund or credit in the amount of \$50,980 for generic project management activities. Full payment was received on March 22, 2001. For the reasons stated below, no refund or credit will be made.

The basis for your request for a refund or credit is that USEC believes that the current level of activity related to an application for advanced enrichment technology (AET) does not merit the assignment of a Project Manager (PM). Further, USEC believes that any generic effort in the area of advanced enrichment technology not associated with a specific application or docket is of broad benefit and should not be supported exclusively by USEC.

We requested the assistance of the Office of Nuclear Material Safety and Safeguards (NMSS) in responding to your March 28, 2001, letter. Based on the pre-application activities, NMSS assigned the AET efforts a Project Manager. Examples of PM activities which are subject to Part 170 costs recovery are those associated with oversight of the assigned license or plant (e.g., setting work priorities, planning and scheduling review efforts, preparation and presentations of briefings for visits to NRC by licensee officials, interfacing with other NRC offices, the public, and other Federal and state and local government agencies, and visits to the assigned site for purposes other than a specific inspection), training, travel, general correspondence, staff meetings, and processing documents in Agencywide Documents Access and Management Systems (ADAMS). If a PM is assigned to more than one license or site, costs for non-generic activities other than licensee-specific licensing activities are prorated to each of the licenses or sites to which the PM is assigned. Therefore, PM costs on Invoice No. FL0169-01 were appropriately charged. Because USEC has decided that it will not pursue the licensing of advanced technologies in the near future, however, a PM is not currently assigned to this function.

Furthermore, there were no charges for generic activities on Invoice No. FL0169-01. Part 170 invoices do not include costs for generic activities. Rather, generic costs are recovered through Part 171 annual fees assessed to all licensees in the class. Part 170 fees recover the costs provided to identifiable beneficiaries, such as licensing and inspection services, as well as Project Manager (PM) services.

Examples of PM generic activities that are not subject to fee recovery under Part 170 are rulemaking and the development of regulatory guides, generic licensing guides, standard review plans, and generic letters and bulletins. There are separate staff reporting codes used in tracking these activities and they are specifically excluded from the calculation of fees.

In summary, all PM's time, (including general administrative, training, staff development and professional meetings, but excluding time spent on generic activities and leave) are recovered through Part 170 fees assessed to the specific applicant or licensee to which the PM is assigned.

On April 23, 2001, Invoice FL0284-01 (\$47,905) was issued for AET activities for the period December 31, 2001, through March 24, 2001. The invoice contains PM charges. Effective April 8, 2001, however, NMSS removed the PM from the AET review until such time as USEC again pursues the advanced enrichment technology.

If you have any questions, please contact Doug Weiss of my staff on 301-415-7348.

Sincerely,

R/A

Anthony C. Rossi, Acting Director
Division of Accounting and Finance
Office of the Chief Financial Officer

Examples of PM generic activities that are not subject to fee recovery under Part 170 are rulemaking and the development of regulatory guides, generic licensing guides, standard review plans, and generic letters and bulletins. There are separate staff reporting codes used in tracking these activities and they are specifically excluded from the calculation of fees.

In summary, all PM's time, (including general administrative, training, staff development and professional meetings, but excluding time spent on generic activities and leave) are recovered through Part 170 fees assessed to the specific applicant or licensee to which the PM is assigned.

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R/A

Anthony C. Rossi, Acting Director
 Division of Accounting and Finance
 Office of the Chief Financial Officer

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