

OFFICE OF ADMINISTRATION'S COMMENTS  
ON  
DRAFT REPORT TO CONGRESS ON THE COSTS AND BENEFITS OF FEDERAL  
REGULATIONS - MAJOR RULES FOR INDEPENDENT AGENCIES

The Office of Administration has reviewed the Draft Report to Congress on the Costs and Benefits of Federal Regulations. After a review of our records, we offer the following information for your consideration in commenting on this document. If you have any questions, please contact Mike Lesar on 301-415-7163.

The fee recovery rulemaking for FY 1999 is the one major rule the NRC issued during the period covered by the report (April 1, 1999 - March 31, 2000). The fee rule for each fiscal year is considered a major rule because it has an annual effect on the economy of \$100,000,000 or more.

Comment 1: This rule should not be included in a report on the costs and benefits of Federal regulation because the issuing agency has no discretion on the costs imposed.

The NRC has no discretion in whether to undertake this rulemaking because the Omnibus Budget Reconciliation Act of 1990 mandates that the NRC recover all or substantially all of its operating budget. The NRC complies with this statutory mandate through the licensing, inspection, and annual fees charged to its licensees and applicants. These fees are revised each year to ensure that the NRC recovers the necessary funds and that the charges are assessed as fairly and equitably as possible.

Comment 2: The report incorrectly indicates that the NRC provided no monetized information on costs.

The Supplementary Information section of the preamble to the final rule contains intricate detail on the amount that must be recovered (costs to licensees and applicants) and the methodologies used to determine both the recoverable amount and how the costs are allocated to NRC licensees.

Comment 3: The report implies that the NRC did not prepare a cost/benefit analysis because it is not required to do so.

The NRC prepares a regulatory analysis for each substantive rule in accordance with the Regulatory Analysis Guidelines approved by the Commission and issued as NUREG/BR-0058, Revision 3. The regulatory analysis must examine the economic impact, in terms of costs and benefits, of alternatives considered in developing the rule. Because of the mandatory nature of the fee rule and because the entire Supplementary Information discussion concerns the economic impact of the costs imposed, a separate regulatory analysis is not prepared for the fee rule.