

June 29, 2001

MEMORANDUM TO: Those on the Attached List

FROM: Anthony C. Rossi, Acting Director R/A  
Division of Accounting and Finance  
Office of the Chief Financial Officer

SUBJECT: NOTICE OF FINAL RULEMAKING -- FEE  
RECOVERY -- FY 2001

On May 31, 2001, the Chief Financial Officer signed a final rule that establishes the fees necessary to recover approximately 98 percent of NRC's FY 2001 budget. The final rule was published in the Federal Register on June 14, 2001 (66 FR 32452), and becomes effective August 13, 2001.

The FY 2001 Energy and Water Development Appropriations Act amended the Omnibus Budget Reconciliation Act of 1990 (OBRA-90) to decrease the NRC's fee recovery amount from 100 percent to 98 percent for FY 2001 in order to address fairness and equity concerns related to charging NRC license holders for agency expenses that do not provide a direct benefit to the licensee. The FY 2001 final rule reflects the 2 percent decrease. The OBRA-90 amendment further decreases the fee recovery amount by an additional two percent per year beginning in FY 2002 until the fee recovery amount is 90 percent by FY 2005.

The amount of the FY 2001 budget to be recovered is \$453.3 million, which is \$6.3 million more than the fee recovery amount for FY 2000; however, the FY 2001 fee recovery amount is reduced by a \$3.1 million carryover from additional collections in FY 2000 that were unanticipated at the time the FY 2000 fee rule was published. This leaves approximately \$450.2 million to be recovered in FY 2001 through 10 CFR Part 170 licensing and inspection fees, 10 CFR Part 171 annual fees, and other offsetting receipts.

We estimate that approximately \$118.2 million will be recovered in FY 2001 from 10 CFR Part 170 fees and other offsetting receipts, and we estimate a net adjustment of approximately \$0.4 million for payments received in FY 2001 for FY 2000 invoices. The remaining \$331.6 million is to be recovered through the 10 CFR Part 171 annual fees, compared to \$341.0 million for FY 2000.

The specific changes to 10 CFR Part 171 (annual fees) and 10 CFR Part 170 (licensing and inspection fees) are as follows:

1. 10 CFR Part 171

- a. New baseline annual fees have been established for FY 2001. The rebaselined annual fees have decreased for most categories of licensees, including operating power reactors, uranium recovery licensees, and many categories of materials users. The annual fee decreases are primarily due to the reduction in the NRC's fee recovery requirement from 100 percent in FY 2000 to 98 percent in FY 2001, reduced budgeted costs for some classes of licensees, increased costs recovered through 10 CFR Part 170 fees, and the \$3.1 million carryover from FY 2000. However, annual fees will increase for other licensees, including holders of transportation quality assurance program approvals for use only. The annual fee increases are due primarily to increased budgeted costs allocated to the affected categories of licensees.

The final FY 2001 annual fees for operating power reactors, spent fuel storage/reactor decommissioning, and fuel facilities are less than the proposed annual fees for these classes based on the final estimated Part 170 collections for FY 2001.

- b. NRC will phase out sending NRC Form 526, the small entity certification form, with each materials license annual fee invoice. Licensees who have been contacted about improperly filed small entity certifications have indicated they filed the form because it was enclosed with the invoice. This change is an effort to minimize the number of improperly filed small entity certifications. Licensees will be able to access NRC Form 526 on the NRC's external web site at <http://www.nrc.gov>. Alternatively, NRC Form 526 can be obtained either through the local point of contact listed in the NRC's "Materials Annual Fee Billing Handbook," NUREG/BR-0238, which is enclosed with each annual fee invoice, by calling the NRC's fee staff at 301-415-7554, or by e-mailing the fee staff at [fees@nrc.gov](mailto:fees@nrc.gov).
- c. The reduced annual fee of \$2,300 for small entities, and the \$500 lower-tier small entity fee, have not changed for FY 2001. The small entity fees will be re-examined every two years, on the same schedule as the biennial review of fees required by the Chief Financial Officers Act of 1990, to determine if the small entity fees should be revised. The NRC had indicated in the FY 2000 fee rule that it would re-examine the small entity fees each year that annual fees are rebaselined.

The FY 2000 annual fees and the final FY 2001 annual fees for representative categories of licensees are as follows:

FY 2000

FY 2001

<u>Category of Licensees</u>	<u>Annual Fee</u>	<u>Annual Fee</u>
Power Reactors (Including Spent Fuel Storage/Reactor Decommissioning fee)	\$2,815,000	\$2,753,000
Spent Fuel Storage/Reactor Decommissioning	209,000	266,000
Non-power Reactors	87,100	74,000
High Enriched Uranium Fuel Facility	3,327,000	3,545,000
Low Enriched Uranium Fuel Facility	1,116,000	1,146,000
UF <sub>6</sub> Conversion Facility	478,000	509,000
Uranium Mills	132,000	94,300
Transportation Quality Assurance Plan Approvals for Use Only	2,300	6,100

Typical Materials Licensees

Radiographers	14,900	12,500
Well Loggers	10,100	8,800
Gauge Users	2,600	2,400
Broad Scope Medical	28,100	24,200

2. 10 CFR Part 170

- a. The two professional hourly rates which are used to determine the 10 CFR Part 170 fees assessed by the NRC have been revised. The revised hourly rate for the reactor program is \$150 per hour as compared to \$144 per hour in FY 2000, and the revised hourly rate for the materials program is \$144 per hour compared to \$143 per hour in FY 2000. The hourly rate increases are primarily due to the Government-wide pay increase in FY 2001.
- b. The fees for export and import licenses and materials licenses have been revised to reflect both the revised hourly rates and the results of the biennial review of 10 CFR Part 170 fees required by the Chief Financial Officers Act of 1990. As a result of the review, the revised fees reflect increases in average time in some cases, and decreases in average time in other cases.
- c. The fee currently assessed for revisions to the information initially submitted on NRC Form 241 by Agreement State licensees who wish to conduct licensed activities in areas under NRC jurisdiction under the reciprocity

provision of 10 CFR Part 150 has been eliminated. The costs for processing the revisions are included in the reciprocity application fee. As a result of this change and the increased hourly rate, the reciprocity application fee, which is currently \$1,200, will increase to \$1,400.

- d. An annual registration fee of \$450 has been established for licensees who are required under 10 CFR Part 31 to register their generally licensed devices each year with the NRC. The requirement for the registration fee will begin after the devices currently in use have been initially registered with the NRC; i.e., with the first re-registration of these devices, and annually thereafter. The fee will also be required for each new registration of devices acquired after the initial registrations have been completed.
- e. The fee waiver provisions in criterion 3. of Footnote 4 to §170.21 and criterion (c) of Footnote 5 to §170.31 have been revised to clarify that the fee waivers apply only to requests/reports submitted to the NRC for the purpose of supporting NRC's generic regulatory improvements or efforts.

Please note that we are no longer mailing final rules to all licensees. In addition to publication in the Federal Register, the final rule is available on the internet at <http://ruleforum.llnl.gov>.

We recommend that you provide this information to those members of your staff most likely to come in contact with licensees (e.g., project managers, sections leaders, and inspectors). However, we request that all questions concerning NRC's fees be forwarded to the License Fee and Accounts Receivable Branch (LFARB) for response. The LFARB staff can be reached by phone at 301-415-7554, or by e-mail at [fees@nrc.gov](mailto:fees@nrc.gov).

cc: Jesse L. Funches, OCFO  
Peter J. Rabideau, DCFO

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cc: Jesse L. Funches, OCFO  
Peter J. Rabideau, DCFO

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Addresses - Memorandum Dated \_\_\_\_\_  
Office Directors and Regional Administrators

SUBJECT: NOTICE OF PROPOSED RULEMAKING – FEE RECOVERY – FY 2001

	<u>Mail Stop</u>	
B. John Garrick, Chairman, Advisory Committee on Nuclear Waste	T-2	E26
George E. Apostolakis, Chairman, Advisory Committee on Reactor Safeguards	T-2	E26
John T. Larkins, Executive Director, Advisory Committee on Reactor Safeguards/Advisory Committee on Nuclear Waste	T-2	E26
G. Paul Bollwerk, III, Chief Administrative Judge, Atomic Safety and Licensing Board Panel	T-3	F23
Karen D. Cyr, General Counsel	O-15	D21
John F. Cordes, Jr., Director, Office of Commission Appellate Adjudication	O-16	C1
Jesse L. Funches, Chief Financial Officer	O-17	F3
Hubert T. Bell, Inspector General	T-5	D28
Janice Dunn Lee, Director, Office of International Programs	O-4	E9
Dennis K. Rathbun, Director, Office of Congressional Affairs	O-16	C1
William M. Beecher, Director, Office of Public Affairs	O-2	A13
Annette Vietti-Cook, Secretary of the Commission	O-16	C1
William D. Travers, Executive Director for Operations	O-16	E15
William F. Kane, Deputy Executive Director for Reactor Programs	O-16	E15
Carl J. Paperiello, Deputy Executive Director for Materials, Research and State Programs	O-16	E15
Patricia G. Norry, Deputy Executive Director for Management Services	O-16	E15
Stuart Reiter, Chief Information Officer	O-16	C1
John W. Craig, Assistant for Operations, OEDO	O-16	E15
Michael L. Springer, Director, Office of Administration	T-7	D57
Frank J. Congel, Director, Office of Enforcement	O-14	E1
Guy P. Caputo, Director, Office of Investigations	O-3	F1
Paul E. Bird, Director, Office of Human Resources	T-3	A2
Irene P. Little, Director, Office of Small Business and Civil Rights	T-2	F18
Martin J. Virgilio, Director, Office of Nuclear Material Safety and Safeguards	T-8	A23
Samuel J. Collins, Director, Office of Nuclear Reactor Regulation	O-5	E7
Ashok C. Thadani, Director, Office of Nuclear Regulatory Research	T-10	F12
Paul H. Lohaus, Director, Office of State and Tribal Programs	O-3	C10
Charles L. Miller, Acting Director, Incident Response Operations	T-4	D18
Hubert J. Miller, Regional Administrator, Region I	RGN-I	
Luis A. Reyes, Regional Administrator, Region II	RGN-II	
James E. Dyer, Regional Administrator, Region III	RGN-III	
Ellis W. Merschoff, Regional Administrator, Region IV	RGN-IV	