

July 18, 2001

Logansport Memorial Hospital
ATTN: Mr. Bart B. Adams
Team Leader, Laboratory/
Medical Imaging/Therapy Services
1101 Michigan Avenue
Logansport, IN 46947

Dear Mr. Adams:

Senator Evan Bayh forwarded us a copy of your letter dated January 30, 2001, and requested that we respond to you about the NRC's annual fee billing process for "small entity" licensees. You offered recommendations for our billing process as follows:

- Eliminate the default remittance amount.
- Provide space for an entry that qualifies the remitted amount.
- Provide on the invoice a brief statement that the remittance amount is based upon factors found in the "NRC's Proposed Fee Rule."
- Create an efficient way whereby errors in remittance can be handled by the NRC allowing for timely refunds.

The NRC assesses annual fees to its licensees to comply with the Omnibus Budget Reconciliation Act of 1990, as amended, which requires NRC to recover almost all of its budget authority through fees. The Regulatory Flexibility Act (RFA) requires that agencies consider the impact of their rulemakings on small entities and, consistent with applicable statutes, consider alternatives to minimize the impacts on the businesses, organizations, and governmental jurisdictions to which they apply. In order to comply with the RFA and to reduce the impact of annual fees on small businesses, the NRC established maximum annual fees for licensees who qualify as small entities based on NRC's small entity size standards. Currently, the maximum annual fee for small entities is \$2,300. In addition, a lower-tier fee of \$500 is in place for qualifying small entities.

In the proposed Fiscal Year (FY) 2001 fee regulations published in the Federal Register on March 28, 2001 (66 FR 16982), we proposed to discontinue mailing the small entity form (NRC Form 526), with each annual fee invoice because we continue to receive completed small entity forms from licensees who do not qualify. In response to comments received on the proposal, we stated in the final FY 2001 fee rule, published in the Federal Register on June 14, 2001 (66 FR 32452), that we were adopting the proposal, however, implementation will be phased in. As part of the revised process, we plan to develop a mechanism in the billing system to identify those licensees who qualified as a small entity in the previous FY and only send those licensees a small entity form for the current FY. Those licensees who are not mailed a small entity form will be advised how to obtain one if they determine they qualify as a small entity for purposes of the

annual fees. Because the annual gross receipts for non-manufacturing concerns, the numbers of employees for manufacturing concerns, or the populations for governmental jurisdictions can change from year to year, it would not be appropriate to bill licensees based on their size for the previous FY. Therefore, in order to pay the reduced annual fee, licensees are required to submit a new small entity form each year.

To assist licensees in complying with the fee regulations, a copy of NUREG/BR-238 "Materials Annual Fee Billing Handbook" is mailed with each annual fee invoice. This Handbook includes the "Small Entity Compliance Guide" as well as the telephone numbers and e-mail contacts for additional fee information. We will take your suggestions into consideration as we review the "Materials Annual Fee Billing Handbook" for possible revision later this year, and during any future revisions to the fee billing systems.

Our goal is to process all refunds within 30 days of determining that a refund is due. However, because of the tremendous administrative burden of processing refunds for payments that were made in prior years, our fee regulations state in 10 CFR 171.16(c) that "failure to file a small entity certification in a timely manner could result in the denial of any refund that might otherwise be due."

On November 13, 2000, Invoice No. AM0565-01 for \$5,900 was issued to the Logansport Memorial Hospital for the FY 2001 annual fee for License 13-17841-01. The Hospital filed a completed NRC Form 526 on January 29, 2001, certifying that it qualified as a small entity under the size standard for "Small Governmental Jurisdiction." The form was approved on February 2, 2001, and the annual fee amount was reduced from \$5,900 (the billed amount) to \$2,300 (the small entity fee amount). We received payment of \$2,323 (including interest) on February 6, 2001.

For your convenience, copies of NUREG/BR-0238 and the FY 2001 proposed and final fee rules are enclosed. If you have questions about the fee policy, please contact Glenda Jackson at 301-415-6057.

Sincerely,

R/A

Diane B. Dandois, Chief
License Fee and Accounts Receivable Branch
Division of Accounting and Finance
Office of the Chief Financial Officer

Enclosure: 1. NUREG/BR-0238, Handbook
2. FY 2001 Proposed and Final Fee Rules

cc: The Honorable Evan Bayh
United States Senate
Washington, DC 20510-1404

Distribution: Letter to Bart B. Adams, Dated July 18, 2001

L. Tremper, OCFO/DAF/LFARB
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ADAMS - Yes/No

SENSITIVE/NON-SENSITIVE

PUBLIC/NON-PUBLIC

initials - djw

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