



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

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NRC SEEKS COMMENT ON PROPOSAL TO AMEND LICENSING, INSPECTION AND ANNUAL FEES

The Nuclear Regulatory Commission is seeking comment on the proposed fees it charges to licensees for fiscal year 2001.

The agency is required to collect nearly all of its budget through two types of fees. One type is for NRC services such as licensing and inspection activities. The other is an annual fee paid by all licensees, which recovers general regulatory expenses and other costs not recovered through fees for specific services. These fees are contained in Commission regulations 10 CFR Part 170 (licensing and inspection fees) and 10 CFR Part 171 (annual fees).

The NRC must recover \$453.3 million for fiscal year (FY) 2001 (October 1, 2000 - September 30, 2001). This does not include \$21.6 million appropriated from the Nuclear Waste Fund for high-level waste activities. Neither does it include \$3.2 million appropriated for NRC's selected regulatory reviews and assistance provided to federal agencies and states. Funding for these activities is excluded from license fee revenues by law. The total amount to be recovered is about \$6.3 million more than last year.

The annual fees proposed by the NRC have been determined under the re-baseline method. The Commission decided to use re-baseline annual fees this year after considering all factors, including the changes in the amount of the budget allocated to classes of licensees, and weighing the complex issues related to both fairness and stability of the fees. Re-baselined annual fees would result in reduced annual fees for a majority of licensees, including power reactors, uranium recovery licensees, radiography and broad-scope medical licensees. Annual fees would increase for other categories of licensees, such as fuel-fabrication facilities and distributors of radiopharmaceuticals.

There is also a \$6 increase over FY 2000 in the hourly labor rate proposed for services performed in the reactor program, and a \$1 increase for services performed in the nuclear materials program. The proposed hourly rates are \$150 for the reactor program activities and \$144 for the nuclear

materials program activities.

In accordance with the Regulatory Flexibility Act that requires agencies to consider the impacts of rule changes on small businesses, the NRC reviewed its fees established in FY 2000 for such businesses. It has concluded that a change to the reduced annual fees for small entities is not warranted for this fiscal year.

The proposed FY 2001 annual fees for some licensees are as follows:

<u>Categories of Licensees</u>	<u>FY 2000 Annual Fee</u>	<u>FY 2001 Annual Fee</u>
Operating Power Reactors (including spent fuel storage/reactor decommissioning annual fee)	\$2,815,000	\$2,809,000
High-enriched Uranium Fuel Facility	3,327,000	3,551,000
Low-enriched Uranium Fuel Facility	1,116,000	1,191,000
Uranium Recovery (Conventional Mills)	132,000	94,300
Radiographers	14,900	12,500
Broad Scope Medical	28,100	24,200
Distribution of Radiopharmaceuticals	3,800	3,900

Other changes proposed by the NRC include a fee of \$450 to be assessed for each annual registration of generally licensed devices, consistent with the recent revisions to 10 CFR Parts 30, 31 and 32 establishing the registration program. An assessment of the registration fee would begin after the generally licensed devices currently in use are first registered with the agency.

As a streamlining measure, the NRC is proposing to eliminate fees now assessed to Agreement State licensees for revisions they file related to the types and locations of licensed activities they conduct in areas under NRC jurisdiction based on the agency's reciprocity provisions. The fees assessed for the initial applications for reciprocity filed by these Agreement State licensees would increase from \$1,200 to \$1,400 to recover the costs of processing the revisions.

Written comments on the proposed amendments to 10 CFR Parts 170 and 171 of the Commission's regulations should be received within 30 days after publication in the Federal Register. They should be addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, D.C., 20555-0001, ATTN: Rulemakings and Adjudications staff. Comments also may be submitted via the NRC's electronic rulemaking Web site at <http://www.nrc.gov>. Select "rulemaking" from the tool bar and then "rulemaking forum."

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Meserve went on to say that "the commission understands that the principal focus of its 'reliable and economical' review responsibility [in section 193(f)(2) of the Atomic Energy Act] is on issuance of the certificates for the GDPs to a new owner."

USEC immediately began an assay ascension program at the Paducah GDP. USEC said it hopes to be able to enrich uranium at 4.95% U-235 by the end of April.

Strickland, after receiving Meserve's letter, issued a press release, saying NRC "has refused to stand up to its statutory obligations." And he called NRC's failure to condition the Paducah amendment "irresponsible and dangerously shortsighted." He said he would hold NRC's "feet to the fire" at an oversight hearing on nuclear energy policy March 27 before the House Energy & Commerce Subcommittee on Energy & Air Quality.

Although the Paducah plant would be capable of producing up to 8-million SWU/yr, USEC is most likely to produce only 4- to 5-million SWU/yr there. USEC is purchasing 5.5-million SWU a year from Russia's Techsnabexport under the U.S.-Russia high-enriched uranium (HEU) agreement for the blending down of some 500 metric tons of HEU from dismantled nuclear weapons.

In its compliance evaluation report for the Paducah higher assay upgrade project (HAUP), NRC noted that during its review, "the staff noted several deficiencies in USEC's nuclear criticality safety documentation for the increased assay. USEC resolved these deficiencies through modification of the documentation, and the staff found this documentation to be adequate to support an assay at 5.5% U-235. USEC also committed to improve the quality of its nuclear criticality safety documentation in a letter dated March 9, 2001."

NRC also said that it conducted an operational readiness review inspection at Paducah from Feb. 20 to March 2. "The results of the inspection," NRC said, "were that USEC had met all of the inspection objectives and that the facility was prepared to safely operate up to enrichments of 5.5% U-235. Two potential violations were identified in the area of work control. However, none of the violations were safety significant, and the staff concluded that approval of the HAUP authorization amendment was appropriate."

—Michael Knapik, Washington (mknapi@mh.com)

NRC'S PROPOSED FY-01 FEES WOULD RISE FOR FUEL FACILITIES, NOT REACTORS

The NRC is proposing to reduce fiscal 2001 annual fees for power reactors, uranium recovery licensees, radiography, and broad-scope medical licensees but increase the fees for fuel fabrication facilities and radiopharmaceutical distributors.

The approved FY-01 budget for the agency is \$487.4-million. About \$9.3-million will be recovered through appropriations as part of a congressionally approved five-year fee reduction plan. Also, \$21.6-million will be appropriated from the Nuclear Waste Fund for high-level waste activities and another \$3.2-million will come from the general U.S. Treasury to cover the costs of NRC services to other federal agencies and states.

The agency said the total it is required by law to recover in FY-01 is \$453.3-million, which is about \$6.3-million more than the \$447-million it collected in FY-00.

The agency charges two types of fees: licensing and inspection fees (10 CFR Part 170) and annual fees (10 CFR Part 171).

Under its proposal, the annual fees for operating power reactors would be reduced to \$2.81-million from \$2.82-million. Uranium recovery licensee fees would drop by nearly 29% to \$94,300 from \$132,000, while radiographers would see a 16% drop to \$12,500, and broad-scope medical users would get a 14% drop to \$24,200.

High-enriched uranium fuel facilities would get the biggest increase, the second consecutive year of increases for this category of licensees. The proposed fees for those users would be \$3.6-million, up 6.7% from FY-00 fees of \$3.3-million. Low-enriched uranium fuel facilities also would see a 6.7% increase, from \$1.12-million up to \$1.19-million. Radiopharmaceutical users would pay \$3,900, up from last year's \$3,800 fee.

The proposed hourly rates would increase \$6 for reactor program services, rising to \$150/hour from the current \$144/hour, and by \$1 for nuclear materials services, costing licensees \$144/hour.

The NRC proposed several other changes. It would assess a \$450 fee for each annual registration of generally licensed devices and would eliminate fees charged to Agreement State licensees for revisions they file on the types and locations of licensed activities transferred to the state. However, the NRC said it would increase the initial application for Agreement State reciprocity to recover the costs of processing revisions. The initial fees would increase to \$1,400 from \$1,200. Each time a state takes over regulatory authority, the NRC loses revenue from hundreds of licensees.—Jenny Weil, Washington (jenny_weil@nrg.com)

BRIEFLY . . .

— **MOU is no solution.** The Nuclear Energy Institute (NEI) is pressing Congress for a legislative end of dual regulation between the NRC and Environmental Protection Agency (EPA). Although the two agencies are