

Specialty Chemicals
Honeywell
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DOCKETED
USNRC

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OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

April 15, 2002

DOCKET NUMBER
PROPOSED RULE
170-171
(67FR 14818)

Certified Mail:
2617-0414

Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Attention: Rulemakings and Adjudication's Staff

Subject: NRC's Proposed FY 2002 Fee Rule

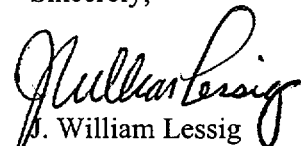
Dear Sirs:

We are submitting our comments on the proposed fee rule as published in the Federal Register, dated March 27, 2002. Honeywell International, Inc. owns and operates the only conversion facility in the United States at Metropolis, Illinois. This new proposed annual fee increase is from \$509,000 to \$585,000 (14.3% increase).

As you are probably aware, Honeywell's uranium hexafluoride (UF₆) conversion facility has been unprofitable for the last three years due in part to the U.S. government's uranium policies. The reduced commercial uranium demand has jeopardized the viability of the only privately owned UF₆ facility in the world. The USNRC has also required additional security upgrades for this facility since the terrorist attacks of September 11, 2001. These additional security requirements will significantly impact our capital and operating costs going forward. Our current estimate is in excess of \$2.0M. Once again, the viability of the Metropolis plant will be questioned.

We would respectfully request that the proposed annual fees remain at \$509,000.00/year. Our industry is still trying to recover from previous government policy decisions and we would appreciate consideration for no fee increase.

Sincerely,


J. William Lessig
Plant Manager

JWL/sm

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cc: M. L. Shepherd
H. C. Roberts

[REDACTED] (Certified Mail: 2617-0407)
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US NRC
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