

July 29, 2002

Mr. John Pfeiffer  
Office of Management and Budget  
New Executive Office Building  
725 17th Street, NW, Room 8025  
Washington, DC 20503

Dear Mr. Pfeiffer:

The Commission is issuing a proposed rule for public comment that would, beginning in FY 2003, recover the costs for contested hearings on licensing actions directly involving U.S. Government national security initiatives through Part 170 fees assessed to the affected applicant or licensee.

The proposed amendment would be a special exception to the Commission's longstanding policy of not charging Part 170 fees for contested hearings and instead recovering the costs through Part 171 annual fees assessed to licensees within the affected class.

Enclosed is a copy of the proposed rule which is being transmitted to the *Federal Register* for publication. The notice provides for a 30-day public comment period.

Sincerely,

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Jesse L. Funches  
Chief Financial Officer

Enclosure: Proposed Revision to  
10 CFR Part 170

