

March 31, 2003

MEMORANDUM TO: Michael L. Springer, Director
Office of Administration

FROM: Charlotte L. Turner, Director ~~IRA~~
Division of Accounting and Finance
Office of the Chief Financial Officer

SUBJECT: INPUT TO THE NRC'S 2003 REGULATORY PLAN

As requested in your memorandum of March 17, 2003, attached is the OCFO update to the NRC's Regulatory Plan, Part B, Description of the Significant Regulatory Action. The revision of the fee schedules to recover 94 percent for FY 2003 is the only current action we have to report.

Attachment: Revision of Fee Schedules

Contact: Ann Norris, DAF/OCFO
415-7807

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B. Description of the Significant Regulatory Action

TITLE. Revision of Fee Schedules; Fee Recovery, FY 2003.

Legal Authority. 31 U.S.C. 9701; 42 U.S.C. 2201(w), 2213, 2214, 5841.

Legal Deadline. The Omnibus Budget Reconciliation Act of 1990, as amended, (OBRA-90) requires that the NRC recover approximately 94 percent of its budget authority, less the amount appropriated from the Nuclear Waste Fund, for FY 2003. The Act requires that the fees for FY 2003 must be collected by September 30, 2003. Therefore, the final rule is to become effective by August 15, 2003.

Need. This rulemaking would amend the licensing, inspection, and annual fees charged to NRC licensees and applicants for an NRC license. The amendments are necessary to recover approximately 94 percent of the NRC budget authority for FY 2003 less the amount appropriated from the Nuclear Waste Fund. The OBRA-90, as amended, requires that the NRC accomplish the 94 percent recovery through the assessment of fees. The NRC assesses two types of fees to recover its budget authority. License and inspection fees are assessed under the authority of the Independent Offices Appropriation Act to recover the costs of providing individually identifiable services to specific applicants and licensees (10 CFR Part 170). OBRA-90 requires that the NRC recover the full cost to the NRC of all identifiable regulatory services that each applicant or licensee receives. The NRC recovers generic and other regulatory costs not recovered from fees imposed under 10 CFR Part 170 through the assessment of annual fees under the authority of OBRA-90 (10 CFR Part 171). Annual fee charges are consistent with the guidance in the Conference Committee Report on OBRA-90 that the NRC assess the annual charge under the principle that licensees who require the greatest expenditure of the agency's resources should pay the greatest annual fee.

Alternatives. Because this action is mandated by statute and the fees must be assessed through rulemaking, the NRC did not consider alternatives to this action.

Anticipated Costs and Benefits. The cost to NRC licensees is approximately 94 percent of the NRC FY 2003 budget authority less the amount appropriated from the Nuclear Waste Fund. The dollar amount to be recovered from NRC applicants and licensees for FY 2003 is approximately \$526.3 million.

Risks. Not applicable.

Timetable. Proposed rule published April 2003.
Final rule published June 2003.
Final rule effective August 2003.

Additional Information. Ann Norris, Office of the Chief Financial Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, 301-415-7807.

RIN 3150-AH14