



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

Office of Public Affairs

Telephone: 301/415-8200

Washington, DC 20555-0001

E-mail: opa@nrc.gov

Web Site: www.nrc.gov

No. 03-040

March 27, 2003

NRC AMENDS LICENSING, INSPECTION AND ANNUAL FEES RULE

The Nuclear Regulatory Commission is amending its regulations for the licensing, inspection and annual fees it charges applicants and licensees for fiscal year (FY) 2003.

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

By law, the NRC must recover \$526.3 million, or 94 percent of its budget for FY 2003 (October 1, 2002 - September 30, 2003), less the \$24.7 million appropriated from the Nuclear Waste Fund for high-level waste activities. The amount to be recovered in FY 2003 includes \$29.3 million appropriated for NRC's activities related to homeland security. Homeland security costs were not included in the agency's fee base for FY 2002, and were appropriated from the Treasury's General Fund. The total amount to be recovered is about \$47 million more than last year.

The proposed hourly rates are \$156 for the reactor program activities and \$158 for the nuclear material program activities. There is a \$6 increase over FY 2002 in the hourly labor rate proposed for NRC services performed in the nuclear materials program. A major reason for this increase are the higher salary and benefits resulting from the Government-wide pay raise. While salary and benefits also increase for the reactor program, the increase is offset by a reduction in the average overhead cost per direct staff.

The proposed annual fees have been determined under the "re-baselining" method. The Commission decided to re-baseline annual fees this year based on the changes in the magnitude of the budget to be recovered through fees. Re-baselined annual fees would result in increased annual fees compared to FY 2002 for four classes of licensees (power reactors, spent fuel storage/reactor decommissioning, fuel facilities, and rare earth facilities), decreased annual fees for two classes (non-power reactors and uranium recovery). Finally, in two classes, material users and transportation, some categories (sub-classes) of licensees would have increased annual fees while others would have decreased annual fees.

The proposed FY 2003 annual fees include the following:

<u>Categories of Licensees</u>	<u>Proposed FY 2003 Annual Fee</u>
Operating Power Reactors (including spent fuel storage/ reactor decommissioning annual fee)	\$3,278,000
High-enriched Uranium Fuel Facility	\$5,836,600
Low-enriched Uranium Fuel Facility	\$1,957,000
Uranium Recovery (Conventional Mills)	\$64,800
Radiographers	\$12,300
Broad Scope Medical	\$24,900
Distribution of Radiopharmaceuticals	\$4,800
Gauge Users	\$2,500

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, which is expected shortly. 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 faxed to 301-415-1101, or submitted via the NRC's electronic rulemaking Web site, at <http://www.nrc.gov> . Select "rulemaking" from the tool bar and then "rulemaking forum."

###

March 27, 2003

MEMORANDUM TO: Michael T. Lesar, Chief
 Rules and Directives Branch
 Division of Administrative Services
 Office of Administration

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

SUBJECT: NOTICE OF PROPOSED RULEMAKING -- FEE RECOVERY FOR
 FY 2003

Attached for your action are the following items relating to the publication of the subject proposed rule which was signed by the Chief Financial Officer on March 27, 2003.

1. Original and 25 copies of the Proposed Notice of Rulemaking - 10 CFR Parts 170 and 171.
2. Eight Congressional letters relating to the proposed rule.
3. Draft public announcement.

The proposed rule is consistent with Commission fee policy decisions and does not constitute a significant question of policy nor does it amend regulations contained in 10 CFR Part 7, 8, or 9 Subpart C concerning matters of policy.

Given the time urgency, the proposed rule should be published immediately. We are also attaching for your files a copy of the "Approved for Publication." In lieu of Daily Staff Notes, we will be providing information on this proposed rulemaking in the Weekly Staff Notes to the Commission and will provide you a copy at that time.

Thank you for your assistance in this matter.

Attachments: As stated

Distribution:

OCFO/DAF/LFARB RF w/o att
 OCFO/DAF RF (DAF 3-57) w/o att
 OCFO/DAF SF (LF-1.30) w/att
 R. Carlson, LFARB
 T. Croote, LFARB
 S. Crutchfield, LFARB

DOCUMENT NAME: G:\DAF\LFARB\Fee Policy\2003P_ADMIN LTR.WPD

ADAMS - Yes/No **SENSITIVE-NON/SENSITIVE** **PUBLIC/NON-PUBLIC** Initials 

(To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy.

OFFICE	OCFO/DAF/LFARB	<input checked="" type="checkbox"/>	OCFO/DAF/LFARB	<input checked="" type="checkbox"/>
NAME	ANorris/GJackson	<input checked="" type="checkbox"/>	DBDandois	<input checked="" type="checkbox"/>
DATE	03/27/03	<input checked="" type="checkbox"/>	03/27/03	<input checked="" type="checkbox"/>