

Non-Public Ref<sup>SEC</sup>  
(MLC111602B)

April 26, 2001

MEMORANDUM TO: Jesse L. Funches  
Chief Financial Officer

FROM: Annette L. Vietti-Cook, Secretary /RA/

SUBJECT: STAFF REQUIREMENTS - COMSECY-01-0010 - FEES  
RELATED TO RESEARCH ACTIVITIES SUPPORTING FIRST-  
OF-A-KIND APPLICATIONS FOR A LICENSE OR  
CERTIFICATION

The Commission has approved the continued use of the 1995 fee policy to recover the cost of research activities supporting the first-of-a-kind applications for advanced reactor designs. As an exception to the policy, the Commission specifically disapproves the application of the 1995 fee policy to the applications involving the fabrication and utilization of mixed oxide fuel (MOX). Since the limited use of MOX supports the Department of Energy's (DOE) fissile material disposition program, which is a U.S. Government national security initiative, the costs should be borne by the reactor applicants (which would presumably pass those costs on to the Federal Government) as Part 170 fees and not borne by all reactor licensees as Part 171 annual fees. In the event research is necessary to support the MOX fabrication facility, these costs should be borne by that applicant (Duke, Cogema, and Stone and Webster). If any other national security initiative involving NRC licensees - - e.g. tritium production in commercial light water reactors - - were to require NRC research activities, the Commission would take a similar approach to recover the cost of those research activities.

cc: Chairman Meserve  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
EDO  
OGC

SECY NOTE: THIS PAPER CONTAINS SENSITIVE MATERIAL AND WILL BE LIMITED TO NRC UNLESS THE COMMISSION DETERMINES OTHERWISE.

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8