

October 8, 2003

MEMORANDUM TO: Jim Dyer, Director
Office of Nuclear Reactor Regulation

FROM: Jesse L. Funches /RA/
Chief Financial Officer

SUBJECT: REQUEST FOR WAIVER OF FEE BILLING FOR PROCESS
IMPROVEMENTS IN SAFETY REVIEWS OF LICENSE RENEWAL
APPLICATIONS

I am responding to R. William Borchardt's memorandum of August 28, 2003, requesting a fee waiver for process improvements related to safety reviews of license renewal applications under 10 CFR Part 170. Specifically, three licensees, Farley, Arkansas Nuclear One Unit 2, and DC Cook, will participate in a pilot of the improved license renewal review process. Consistent with the fee waiver approach used during the staff's development of NUREG-1800, "Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants," and NUREG-1801, "Generic Aging Lessons Learned Report" (GALL), I have determined that a partial fee waiver is appropriate for the three licensees participating in the NRC's pilot program for improving the process of reviewing license renewal applications.

Mr. Borchardt's fee waiver request is predicated on 10 CFR Part 170.11(b)(1), which states, "The Commission may, upon application by an interested person, or upon its own initiative, grant such exemptions from the requirement of this part as it determines are authorized by law and are otherwise in the public interest." Additionally, his request is based on the following considerations: 1) the pilot program will assist the staff in identifying process improvements for reviewing license renewal applications, thereby leading to increased staff efficiencies in future corresponding reviews; 2) this program will lead to lessons learned that will be incorporated into future updates of NUREG-1800 and NUREG-1801; and 3) the fee waiver will provide an incentive to licensees who otherwise may not be responsive to the staff's efforts in developing this program.

Based on the foregoing information, I am granting a partial fee waiver for this process improvement program in accordance with the criteria set forth in 10 CFR 170.11. This partial fee waiver applies only to the staff's efforts associated with participation on the GALL audit teams, for which a non-fee billable TAC should be established. The partial fee waiver does not apply to any other plant-specific review costs for the licensees' renewal applications, including site visits by technical reviewers. These costs will be billed to each licensee under Part 170 fee for services.

cc: R. W. Borchardt, NRR

CONTACT: S. Crutchfield, OCFO/DFM/LFT
415-6097

MEMORANDUM TO: Jim Dyer, Director
Office of Nuclear Reactor Regulation

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Chief Financial Officer

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cc: R. W. Borchardt, NRR
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415-6097

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* See previous concurrence.

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