



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 26, 2004

IMPORTANT NOTICE

TO: ALL PARTS 30, 40, 50, 61, 70, 71, 72, 73, 76 AND 110 LICENSEES,
APPLICANTS, REACTOR VENDORS, AND OWNERS' GROUPS

SUBJECT: PROPOSED REVISIONS TO 10 CFR PARTS 170 AND 171 ON LICENSE,
INSPECTION, AND ANNUAL FEES FOR FY 2004

Shortly after the date of this letter, the U.S. Nuclear Regulatory Commission (NRC) will publish the enclosed Notice of Proposed Rulemaking in the Federal Register for public comment. This notice proposes revisions to the fee requirements of 10 CFR Part 170, "Fees for Facilities, Materials, Import and Export Licenses, ..." and Part 171, "Annual Fees for Reactor Licenses and Fuel Cycle Licenses and Materials Licenses, ..." These proposed revisions would implement the Omnibus Budget Reconciliation Act of 1990, as amended, which mandates that the NRC recover approximately 92 percent of its budget authority, less the appropriation from the Nuclear Waste Fund, in FY 2004.

The total amount to be recovered for FY 2004 is approximately \$545.6 million, which includes \$51.1 million for homeland security. The NRC estimates that approximately \$139.7 million will be recovered from fees for services assessed under 10 CFR Part 170 and other receipts, and estimates a net adjustment of \$2.0 million for payments received in FY 2004 for FY 2003 invoices. In addition, there is a \$3.5 million carryover from additional collections in FY 2003 that were unanticipated at the time the FY 2003 fee rule was published. The remaining \$400.4 million would be recovered through 10 CFR Part 171 annual fees.

Based on the substantial change in the total budget from FY 2003 to FY 2004 and the magnitude of the budget allocated to certain classes of licensees, the Commission has determined that it is appropriate to establish new rebaselined annual fees under Part 171 this year. Rebaselining fees would result in increased annual fees for some categories of licensees and decreased annual fees for other categories. The proposed changes are described in detail in the proposed notice. The most significant changes to Parts 170 and 171 are summarized below.

The most significant proposed changes to Part 170 are:

1. The professional hourly rate for the reactor and materials programs established in §170.20 would be revised. The FY 2004 proposed hourly rate for the reactor program is \$157 per hour compared to \$156 per hour in FY 2003. The FY 2004 proposed hourly rate for the materials program is \$156 per hour compared to \$158 per hour in FY 2003.

The primary reason for the increase to the reactors program rate is the salary and benefits increase that results primarily from the Government-wide pay raise. While salary and benefits also increase for the materials program, the increase is offset by a reduction in overhead costs and allocated management and support costs.

2. The fees in §170.21 and §170.31 for export and import licenses and materials licenses would be revised to reflect the change in the hourly rate for the materials program.
3. Category 10.C would be added to clarify transportation security activities.
4. The Import and Export License categories would be modified to ensure consistency with 10 CFR Part 110

The most significant proposals under Part 171 are:

1. Revised annual fees would be established in §171.15 and §171.16. The proposed annual fees would result in increased annual fees compared to FY 2003 for three classes of licensees (power reactors, rare earth mills, and transportation), decreased annual fees for three classes (spent fuel storage/reactor decommissioning, non-power reactors and fuel facilities), and for two classes, materials users and uranium recovery, some categories (subclasses) of licenses would have increased annual fees and others would have decreased annual fees. The factors affecting the annual fee amounts include: changes in budgeted costs for the different classes of licenses, the reduction in the NRC's fee recovery requirement from 94 percent in FY 2003 to 92 in FY 2004, estimated Part 170 collections from various classes of licenses, the increased hourly rate for the reactor program, the decreased hourly rate for the materials and waste program, the decrease in the number of licensees for certain categories of licenses, and the \$3.5 million carryover from FY 2003.
2. The annual fees would be updated to reflect the changes in agreement state activities and the master materials licenses.

All parties desiring to submit written comments for consideration on this proposed fee rule should send them to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, ATTN: Rulemakings and Adjudications Staff, within 30 days from publication in the Federal Register. To ensure that comments are received on time, comments may also be faxed to 301-415-1101. Comments may also be hand delivered to: 11555 Rockville Pike, Rockville, MD 20852, Monday through Friday between the hours of 7:30 a.m. and 4:15 p.m. (Telephone: 301-415-1966). Comments may be sent via e-mail to SECY@nrc.gov. Additionally, comments may be submitted via the NRC's interactive rulemaking website (<http://ruleforum.llnl.gov>). For information about the NRC's interactive rulemaking site, contact Ms. Carol Gallagher, 301-415-5905; or e-mail cag@nrc.gov.



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*** * * IMPORTANT * * ***

NRC'S PROPOSED FY 2004 FEE RULE

Please read the enclosed document carefully. It may substantially impact the fees you are assessed by the NRC. Please submit any comments on the proposed fee rule changes within the 30-day comment period. To ensure that comments are received within the 30-day comment period, you may fax your comments to 301-415-1101 in addition to mailing them. The proposed changes are summarized in the cover memorandum.