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NRC PROPOSES TO AMEND LICENSING, INSPECTION AND ANNUAL FEES RULE

The Nuclear Regulatory Commission is proposing to amend its regulations for the licensing, inspection and annual fees it charges applicants and licensees for fiscal year (FY) 2005.

The agency is required by Congress to recover for the Treasury nearly all of its annual appropriated budget through two types of fees. One is for specific NRC services, such as licensing and inspection activities, that apply to a specific license; this fee is calculated using an hourly rate. 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 NRC regulations 10 CFR Part 170 (fees for licensing and inspection services) and 10 CFR Part 171 (annual fees). These fees are paid to the U.S. Treasury and go into the general fund.

By law, the NRC must recover 90 percent of its budget for FY 2005 (Oct. 1, 2004 - Sept. 30, 2005) less the amount (\$68.5 million) appropriated from the Nuclear Waste Fund for high-level waste activities. The total amount to be recovered in FY 2005 is \$540.7 million, about \$4.6 million less than last year, when the mandate was to recover 92 percent of the agency's budget. After accounting for carryover and billing adjustments, the net amount to be recovered is approximately \$538 million.

Under the proposed rule, the hourly rate used to assess Part 170 fees would increase from \$157 to \$205 for the Nuclear Reactor Safety Program, and from \$156 to \$198 per hour for the Nuclear Materials and Waste Safety Program. This change would allow the funds recovered through Part 170 fees to reflect more accurately the resources NRC expends providing licensee-specific services. It also reflects higher salaries and benefits resulting from the Government-wide pay raise. The new hourly rate would not change the NRC's overall fee recovery, since costs not recovered through Part 170 fees are recovered through Part 171 annual fees. Once implemented, the new hourly rates would increase the agency's Part 170 fees and decrease total annual fees by the same amount.

Annual fees for FY 2005 have been determined under the "re-baselining" method because of the magnitude of budget changes for certain classes of licensees. Re-baselining fees would result in decreased annual fees compared to FY 2004 for five classes of licenses (power reactors, test and research reactors, spent fuel storage/reactor decommissioning, rare earth mills, and transportation), and increased annual fees for two classes (fuel facilities and uranium recovery). Most materials users would have increased annual fees.

The proposed FY 2005 annual fees include the following:

<u>Class/category of licenses</u>	<u>FY 2005 Annual fee</u>
Operating Power Reactors (including Spent Fuel Storage/Reactor Decommissioning annual fee)	\$3,067,000
Spent Fuel Storage/Reactor Decommissioning	\$164,000
Test and Research Reactors (Nonpower Reactors)	\$54,400
High Enriched Uranium Fuel Facility	\$5,704,000
Low Enriched Uranium Fuel Facility	\$1,708,000
UF ₆ Conversion Facility	\$732,000
Rare Earth Mills	\$71,000
Transportation:	
Users/Fabricators	\$80,200
Users Only	\$4,300
Typical Materials Users:	
Radiographers	\$12,800
Well Loggers	\$4,100
Gauge Users (Category 3P)	\$2,500

Written comments on the proposed fee changes should be received within 30 days of publication in the *Federal Register*, 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 may also be e-mailed to SECY@nrc.gov , faxed to (301) 415-1011, or submitted online via the NRC's rulemaking Web site at <http://ruleforum.llnl.gov> .

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