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NRC PROPOSES TO AMEND LICENSING, INSPECTION AND ANNUAL FEES RULE

The Nuclear Regulatory Commission ^(NRC) 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~~ ^{the Omnibus Budget Reconciliation Act of 1990} to recover 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, ~~fees for specific licensing activities would increase as a proportion of total fees to be recovered, while annual fees would decrease correspondingly.~~ ⁺ The hourly rate used to assess Part 170 fees would increase from \$157 to \$205 for the reactor program, and from \$156 to \$198 per hour for the materials program. This change would allow the funds recovered through Part 170 fees to reflect more accurately the resources NRC expends providing licensee-specific services, based on information collected through the agency's time and labor data collection system. 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 M annual fees. Once implemented, the new hourly rates would increase the agency's Part 170 revenue, but 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:

Class/category of licenses

FY 2005 Annual fee

Operating Power Reactors (including Spent Fuel

Storage/Reactor Decommissioning annual fee) ~~\$3,068,000~~⁷

Spent Fuel Storage/Reactor Decommissioning ~~\$168,000~~⁴

Test and Research Reactors (Nonpower Reactors) ~~\$54,200~~⁴

High Enriched Uranium Fuel Facility ~~\$6,230,000~~^{5,704,000}

Low Enriched Uranium Fuel Facility ~~\$1,866,000~~^{1,708,000}

UF₆ Conversion Facility ~~\$800,000~~^{732,000}

Rare Earth Mills ~~\$70,300~~^{71,000}

Transportation:

Users/Fabricators \$80,200

Users Only \$4,300

Typical Materials Users:

Radiographers ~~\$13,100~~^{12,800}

Well Loggers ~~\$4,200~~^{4,100}

Gauge Users (Category 3P) ~~\$2,600~~⁵

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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