



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

CHIEF FINANCIAL
OFFICER

August 2, 2005

Mr. and Mrs. Orval Baird
P.O. Box 87
Tendoy, ID 83468

#04003400

Dear Mr. and Mrs. Baird:

I am writing to inform you of a recent change to the Nuclear Regulatory Commission (NRC) regulations on fee recovery of its oversight costs for unlicensed sites in decommissioning. Beginning July 25, 2006, the NRC will bill unlicensed sites under 10 CFR Part 170 for all NRC costs incurred for site-specific decommissioning activities. This change was enacted through notice and comment rulemaking, and was finalized in the *Federal Register* on May 26, 2005 (Enclosure 1), as modified by the correction notice published on June 10, 2005 (Enclosure 2).

The NRC is enacting this change to enhance the fairness and equity of its fee schedule. Title V of the Independent Offices Appropriation Act of 1952 authorizes Federal regulatory agencies to recover, to the fullest extent possible, the costs of services provided to identifiable recipients. The NRC currently recovers the costs of other licensee-specific activities under 10 CFR Part 170. Because the NRC's review of decommissioning activities provides a specific benefit to the owners or operators of these unlicensed sites, the NRC believes it is fair and appropriate to recover these costs through Part 170 fees. If the NRC did not recover these costs through Part 170 fees, it would need to recover these costs through annual fees to other licensees in order to meet the requirements of the Omnibus Budget Reconciliation Act of 1990, as amended, to recover almost all of the NRC's budget through fees.

The NRC will bill unlicensed sites for decommissioning activities at quarterly intervals under the full cost recovery provisions of 10 CFR 170.31, fee category 14.B. The full cost fees to be assessed will be based on the professional staff time and contractual support services expended. The hourly rate to be charged can be found in 10 CFR 170.20(b), and is currently \$197 per hour.

If you have any questions or need additional information regarding this matter, please contact Ellen Poteat of my staff at 301-415-6392.

Sincerely,

A handwritten signature in black ink, appearing to read "Jesse L. Funches".

Jesse L. Funches
Chief Financial Officer

Enclosures:

1. 5/26/05, Federal Register Notice
(70 FR 30526)
2. 6/10/05, Federal Register Notice
(70 FR 33819)