

June 14, 2006

Mr. Wesley Sparkman
Westinghouse Owners Group
Technical Specifications Task Force
11921 Rockville Pike, Suite 100
Rockville, MD 20852

Dear Mr. Sparkman:

I am responding to your April 28, 2006, letter requesting that review of all Travelers submitted to the U.S. Nuclear Regulatory Commission (NRC) be granted a fee exempt status under 10 CFR Part 170. A Traveler is used by the Technical Specifications Task Force (TSTF) to apply for changes to the Improved Standardized Technical Specification (ISTS). Based on my review of the request and recommendations from NRC staff, I can not grant your request for the reasons noted below.

Technical specifications set forth the specific characteristics of the facility and the conditions for its operation that are required to provide adequate protection to the health and safety of the public. The NRC acknowledges the industry contribution to improving the standard technical specifications. Since the January 10, 2003, letter (Reference 1 in your correspondence), NRC has continued to grant fee waivers for Travelers which support improvements in the ISTS and meet the criteria of 10 CFR §170.11 (e.g., TSTF-449 for steam generator tube integrity). However, Travelers submitted to the NRC that primarily benefitted the requesting organization were reviewed on a fee billable basis.

The NRC is continuing, consistent with its mission, to allocate resources to implement the Agency's July 22, 1993, Final Policy Statement on Technical Specifications Improvements (Reference 2 in your correspondence). The commitment to allocate resources to implement this Policy Statement is unrelated to the manner in which these NRC budgeted costs must be recovered, by law, through fees assessed to licensees and applicants. Accordingly, the NRC does not believe that its determination of fee-exempt status for Travelers on a case-by-case basis contradicts this Policy Statement.

The Office of Nuclear Reactor Regulation is still evaluating a process similar to the Consolidated Line Item Improvement Process for review of the Travelers. Meanwhile, NRC will continue to evaluate the merits of granting a fee waiver, as requested, as each proposal for a Traveler is submitted. Therefore, it is important for TSTF to discuss with the NRC staff any Traveler before submitting the report.

The January 10, 2003, letter explained that Travelers would be subject to fees unless the NRC determined the fee exemption criteria in 10 CFR §170.11 were met. This fee exemption policy was established through public notice and comment rulemakings, and the NRC continues to believe it is fair and appropriate to apply this policy on a case-by-case basis to Travelers, as it does with topical reports and all other submittals. The NRC is unable to determine in advance

whether all Travelers will meet the fee exemption criteria, either under 10 CFR §170.11(a) or 170.11(b). Our past experience reviewing Travelers suggests that some of them are of generic benefit to the NRC and therefore qualify for fee exemptions; others, however, primarily benefit the submitter and do not meet the fee exemption criteria. Therefore, the NRC must separately review each submission to determine whether the fee exemption criteria apply.

The current fee exemption process continues to be efficient, and the burden of making case-by-case fee exemption determinations is small and justified by the benefits of the consistent application of the NRC's fee policies to all submittals. Therefore, I am not granting a blanket fee waiver for Travelers.

The NRC looks forward to working with you to make the fee waiver determinations as expeditiously as possible. If you have any technical questions regarding this matter, please contact Peter Hearn at 301-415-1181. For any fee waiver related questions, please contact Renu Suri of my staff at 301-415-0161.

Sincerely,

/RA/

Jesse L. Funches
Chief Financial Officer

cc: Michael Crowthers (BWR Owners' Group)
Brian Woods (Westinghouse Owners Group)
Paul Infanger (B&W Owners Group)
Donald Hoffman, EXCEL

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