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CLB



Information Briefing to the Commissioners' Assistants

FY 1999 Fees

February 18, 1999

**CONTAINS ATTORNEY-CLIENT AND OTHER SENSITIVE INFORMATION LIMITED TO THE NRC UNLESS
THE COMMISSION DETERMINES OTHERWISE**

FY 1999 FEES

Agenda Topics

- **FY 1999 Hourly Rates**
- **Part 171 Fees (Annual Fees)**
- **Schedule for Fee Rule**

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HOURLY RATES

	<u>Fiscal Year 1997</u>	<u>Fiscal Year 1998</u>	<u>Fiscal Year 1999</u>
Reactors	\$131	\$124	\$141
Materials	\$125	\$121	\$140

Reasons for Increase

- **FY 98 Pay Raise + 4.4%** *Rx: \$131 → \$137/hr ; Mat'l's: \$125 → \$131/hr*
- **FY 99 Pay Raise + 3.68%**
- **Program Changes**
- **Reduction in Number of Direct FTE**
- **Change in Coding of Budget Structure**

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CONSIDERATIONS FOR REBASELINING IN FY 1999

- In Order to Stabilize Fees, the FY 1995 Final Rule Instituted the Concept of Percent Change for a 5 Year Period (Through FY 1999)

“...unless there is a substantial change in the total NRC budget or the magnitude of the budget allocated to a specific class of licensees, in which case the annual fee base would be reestablished.” (Rebaseline)

- Agency Recognized that Percent Change Method Could Result in Large Increases for Certain Classes at the Next Rebaselining
- Addition of New Fee Class
- Substantial Changes in Numbers of Licensees
- Changes in Budget Levels
- Fee Policy Changes

Total 95-799
-364 *-535 Direct chg 95-799*
+171 Overhead chg 95-799

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PART 171 ANNUAL FEE OPTIONS FOR FY 1999

1. REBASELINING IN FY 1999

- (+) Consistent with stated policy criteria in ⁹⁵ fee rule
- (+) More closely aligns fees with agency budgeted costs
- (+) Virtually no litigative risk
- (+) Reflects Agency commitment to rebaseline when warranted

- (-) Potential outrage over significant increases by some licensees
- (-) Inability of licensees to budget for increased amounts

• < 100K P4171 billed on license
renewal date
• \$100K P4171 billed quarterly

2. REBASELINING WITH ^{50%} CAP IN FY 1999

- (+) Minimizes amount of fee increase
- (+) Consistent with stated policy criteria in fee rule
- (+) More closely aligns fees with agency budgeted costs

- (-) Transfers costs to other classes of licensees (\$1 million)
- (-) Potential unfavorable perception of agency
- (-) Increased litigative risk

PART 171 ANNUAL FEE OPTIONS FOR FY 1999

3. PERCENT CHANGE IN FY 1999

- (+) All licensees benefit with uniform decrease in rates (-5.4%)
- (+) Allowable based on FY1995 fee rule
- (+) Opportunity to provide licensees with advance notice of FY2000 rebaselining and potential fee increases

- (-) Increased litigative risk
- (-) Postpones addressing budget and programmatic changes

COMPARISON OF ANNUAL FEES PER LICENSE FOR REPRESENTATIVE FEE CATEGORIES

<u>No.</u> ¹		FY 98	REBASELINE		REBASELINE W/ CAP		PERCENT CHANGE
		<u>\$(000)</u>	<u>FY 99</u>	<u>%</u>	<u>FY 99</u>	<u>%</u>	<u>FY 99</u>
			<u>\$(000)</u>		<u>\$(000)</u>		<u>(-5.4%)</u>
104/0	Power Reactors W/ Spent Fuel Decomm.	2,976	2,571*	-13.6%	2,577	-13.4%	2,616
			2,773	-6.8%	2,779	-6.6%	2,819
123/0	Spent fuel / Decomm.	N/A	202		202		202
4/0	Nonpower Reactors	57.3	63.4	10.6%	63	10.6%	54
2/0	HEU Facility	2,604	3,281	26.0%	3,288	26.3%	2,464
2/0	USEC	2,604	2,043	-21.5%	2,048	-21.4%	2,464
4/0	LEU Fuel Facility	1,278	1,100	-13.9%	1,103	-13.7%	1,209
1/0	UF6 Conversion	648	471	-27.3%	473	-27.1%	613
1/0	UMTRCA-DOE	1,964	855	-56.5%	857	-56.4%	1,858
3/0	Uranium Mill	61.7	140	126.9%	92	49.3%	58
7/0	Solution Mining	34.9	118	238.1%	52	49.3%	33
1/0	Disposal 11e(2)	45.3	87	92.1%	68	49.3%	43
2/0	Disposal 11e(2)-POL sites	8	14	75.0%	12	49.3%	8
3/0	Rare Earth	22	30	36.3%	30	36.6	21

1) Number of Licensees/Number of Small Entities

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COMPARISON OF ANNUAL FEES PER LICENSE(cont.) FOR REPRESENTATIVE FEE CATEGORIES

<u>No.¹</u>		<u>FY 98 \$(000)</u>	<u>REBASELINE</u>		<u>REBASELINE W/ CAP</u>		<u>PERCENT CHANGE</u>
			<u>FY 99 \$ (000)</u>	<u>%</u>	<u>FY 99 \$(000)</u>	<u>%</u>	<u>FY 99 (-5.4%)</u>
73/1	Transportation Cask User	1	2.2	120%	1.5	49.3%	1
87/1	Broad Scope Medical	23.5	27.8	18.3%	27.8	18.5%	22
80/1	Broad Scope R&D	12.3	11.2	-8.9%	11.2	-8.9%	11.6
10/2	Broad Scope Manufact.	16.6	25.9	56.0%	24.8	49.3%	15.7
6/0	Irradiators <10,000 ci.	3.8	5.7	50.0%	5.7	49.3%	3.6
58/4	Teletherapy	10.3	15.3	48.5%	15.4	49.0%	9.7
153/87	Radiographer	14	14.7	5.0%	14.7	5.4%	13.3
51/32	Well Logger	8.2	10.0	22.0%	10.0	22.0%	7.7
1747/302	Other Medical	4.7	5.8	23.4%	5.8	23.4%	4.4
2279/391	Gauge User	1.7	2.6	52.9%	2.5	49.3%	1.6

1) Number of Licensees/Number of Small Entities

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SCHEDULE FOR FY 1999 FEE RULE

- **Annual Fee Commission Paper** Feb 17-18
- **Commission Decision** Mar 4
- **CFO Signs Proposed Fee Rule** Mar 23
- **Proposed Fee Rule Published** Apr 1
- **CFO Signs Final Fee Rule** Jun 1
- **Final Fee Rule Published** June 10
- **Final Fee Rule Effective** Aug 10

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