

May 18, 2007

The Honorable Peter J. Visclosky
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Omnibus Budget Reconciliation Act of 1990, as amended, requires that the U.S. Nuclear Regulatory Commission (NRC) recover approximately 90 percent of its Fiscal Year (FY) 2007 budget authority (less appropriations from the Nuclear Waste Fund and appropriations for waste incidental to reprocessing and generic homeland security activities) through fees. The NRC is required to recover approximately \$670 million in FY 2007. In order to comply with the law, the Commission is amending its fee regulations in 10 CFR Parts 170 and 171.

The amendments to 10 CFR Part 170 revise the professional hourly rates and flat license application fees charged to licensees and applicants. The NRC's regulations now assess Part 170 fees using two professional hourly rates, currently \$217 for the Nuclear Reactor Safety Program and \$214 for the Nuclear Materials and Waste Safety Program. With this final rule, the NRC is establishing one professional hourly rate of \$258 to assess Part 170 fees. The increased rate reflects the anticipated costs which NRC will incur providing licensee-specific services.

The amendments to 10 CFR Part 171 establish the FY 2007 annual fees to be assessed to NRC licensees, including reactors, fuel cycle facilities, and materials users, to recover costs not recovered through 10 CFR Part 170 fees. The FY 2007 annual fees for the operating power reactor licensees increased from FY 2006 due to an increase in budgeted resources for new reactor activities. For most other NRC licensees the annual fees decreased in FY 2007, primarily due to removal of generic homeland security resources from the fee base. The most significant factor affecting the annual fees is the approximately \$45 million increase in the NRC's total fee recoverable budget for FY 2007 compared to FY 2006. Other factors include changes in budgeted costs and estimated Part 170 collections for the different classes of licenses.

Honorable P. J. Visclosky

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Enclosed is a copy of the final rule which is being transmitted to the *Federal Register* for publication. The final rule will become effective 60 days after publication.

Sincerely,

/RA/

Peter J. Rabideau
Acting Chief Financial Officer

Enclosure:
Final Revision to 10 CFR Parts 170 and 171

cc: Representative David L. Hobson

Honorable P. J. Visclosky

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Peter J. Rabideau
Acting Chief Financial Officer

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*See previous concurrence **Concurrence by e-mail

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