

# **NRC FEES 101**

# Outline

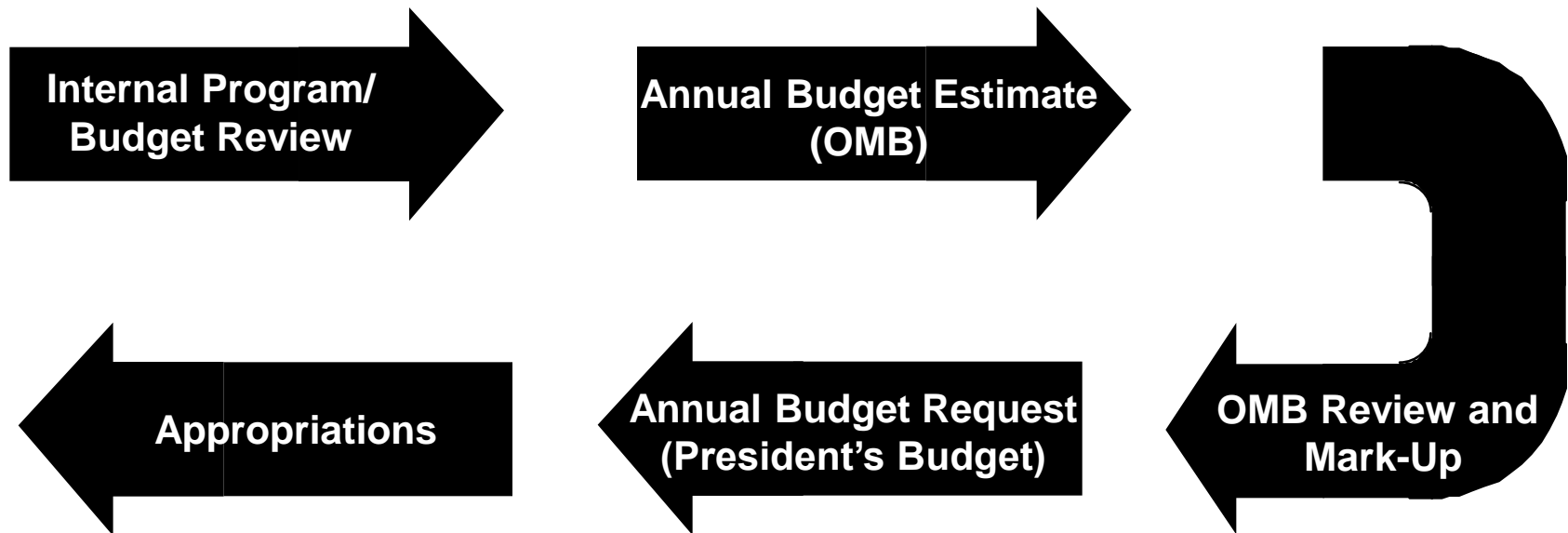
- Why Does NRC Assess Fees?
  - Laws Governing NRC Fees
- NRC Annual Fee Cycle
  - Process Overview
  - NRC Appropriation
  - Developing NRC Fees
    - Fee Recovery Amount
    - Fee Classes
    - Part 170
    - Part 171
    - Power Reactor Fees
    - Fuel Facilities Fees

# LAWS GOVERNING NRC FEES

- Independent Offices Appropriation Act (IOAA) of 1952
  - Regulations Under Part 170 of Title 10 of the Code of Federal Regulations (CFR)
  - Fee for Services
  - Billed as Hours Expended Times NRC Professional Hourly Rate
- Omnibus Budget Reconciliation Act of 1990 (OBRA-90), as amended
  - Regulations under Part 171 of Title 10 of the CFR
  - Collect Approximately 90% of Budget Authority by End of Fiscal Year(FY)
  - Recover Through Annual Fees
    - Research Costs
    - Rulemaking Costs
    - Other Agency Costs Not Recovered Under IOAA

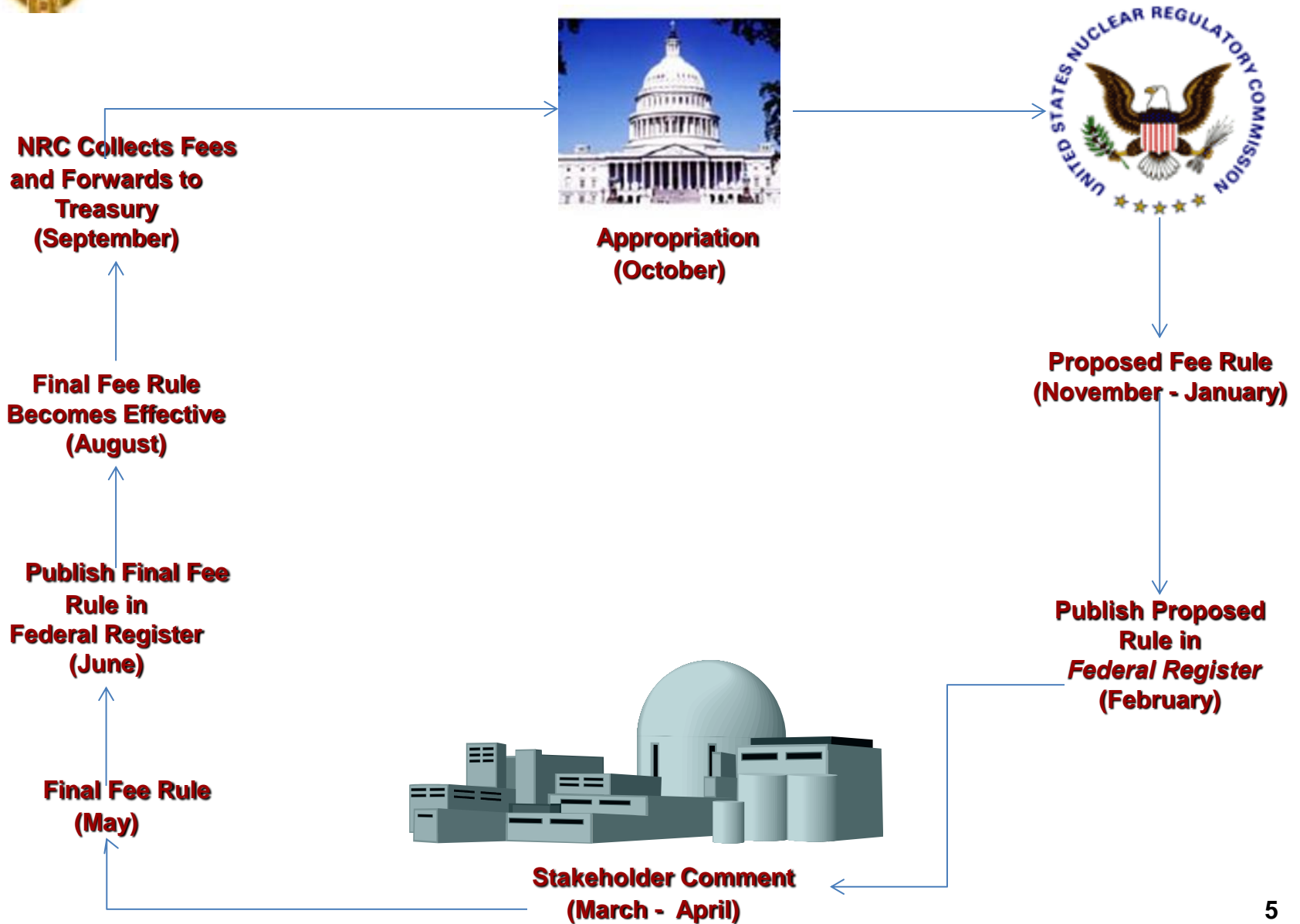
# NRC BUDGET FORMULATION PROCESS

## Establishing Budgetary Authority





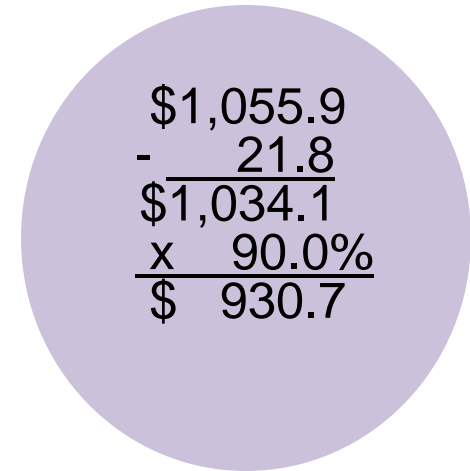
# ANNUAL FEE PROCESS and TIMELINES



# BUDGET AND FEE RECOVERY AMOUNTS FOR FY 2014 FINAL RULE

[Dollars in Millions]

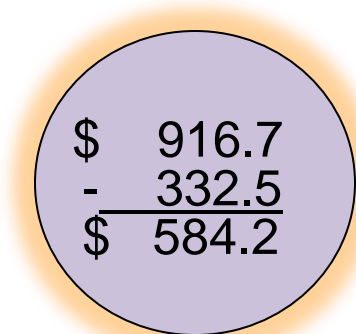
Total Budget Authority  
\*Less Non-Fee Items  
Balance  
Fee Recovery Rate for FY 2014  
Total Amount to be Recovered For FY 2014



Less Billing Adjustments

- 14.0

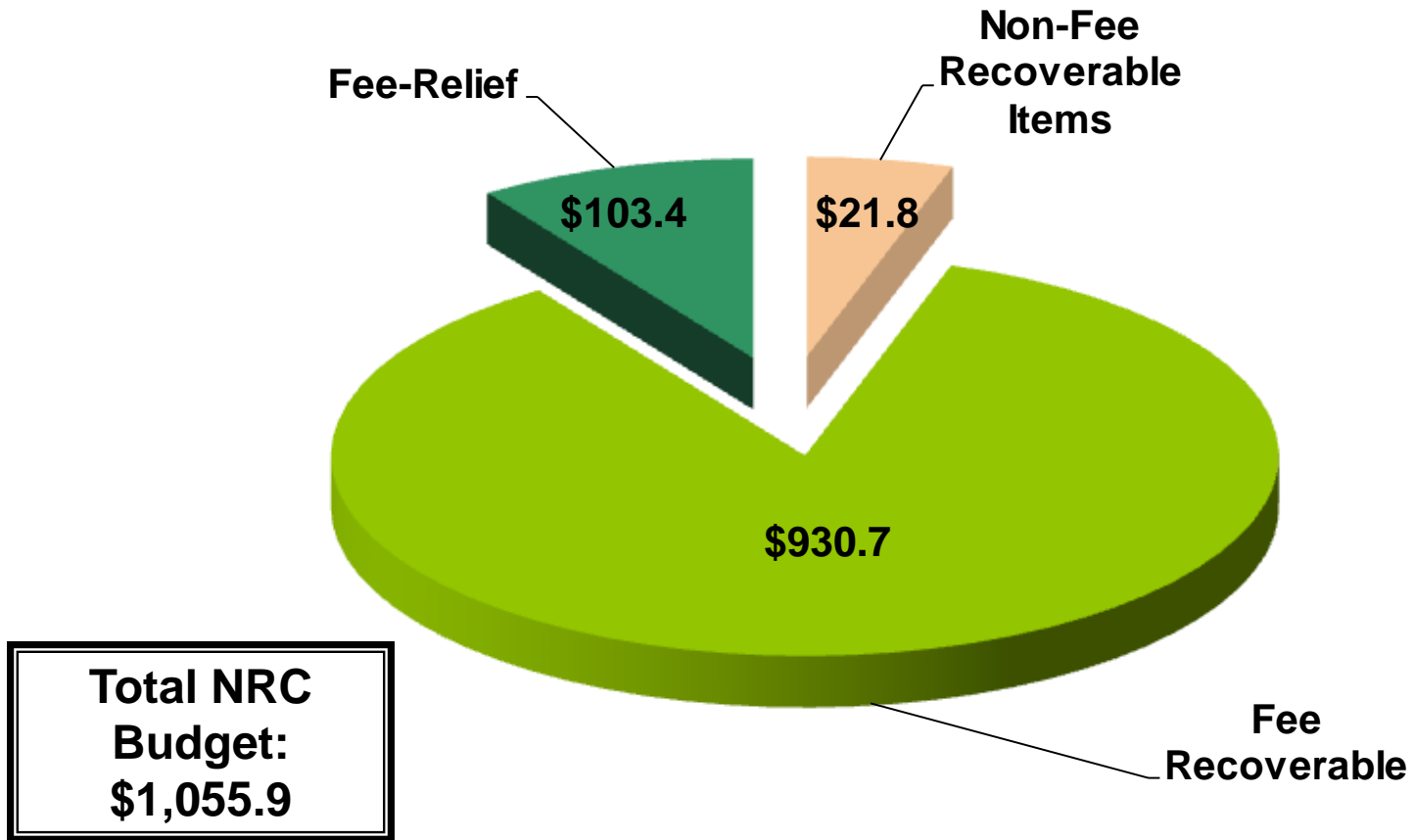
Adjusted Recovery Amount  
Less Estimated Part 170 Billings  
Part 171 Fee Collections Required



\*Includes Waste Incidental to Reprocessing, Generic Homeland Security and Defense Nuclear Facilities Safety Board

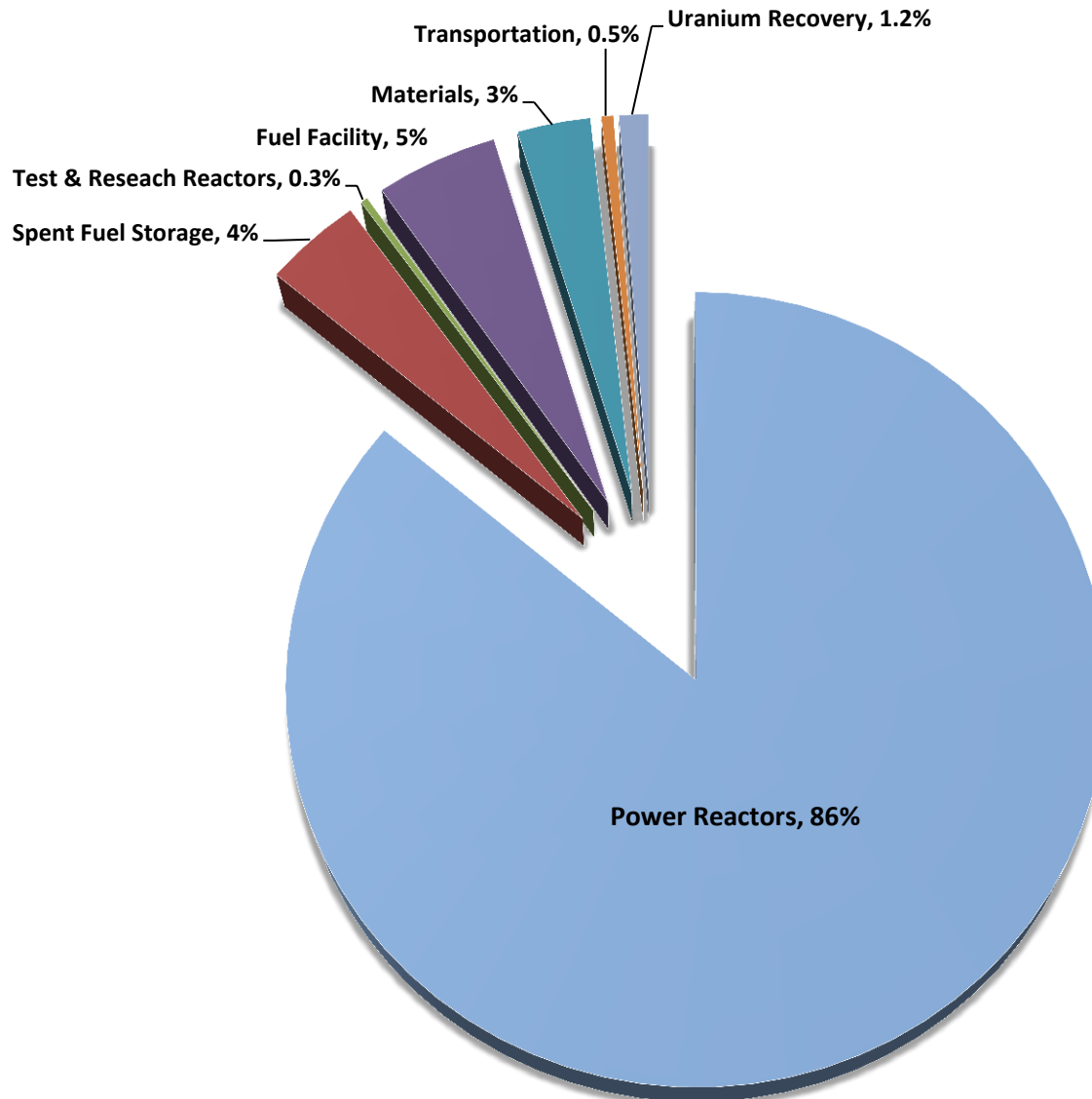
# FY 2014 Final Fee Rule Budget

[Dollars in Millions]



# License Fee Classes

Percentage of Budgeted Resources





# Hourly Rate Methodology

## FY 2014 Final Fee Rule

### FY 2014 Budget Included in Hourly Rates

Mission Direct Program Salaries & Benefits		\$359.2M
Mission Indirect Program Support		21.0M
Office Support, Corporate Support, and IG		<u>486.0M</u>
Subtotal:		\$866.2M
Less Offsetting Receipts		- 0.0M
Total Budget Included in Hourly Rate		<u>\$866.2M</u>
Mission Direct FTEs:	2,254 FTEs	
Annual Direct Hours per Direct FTE:	1,375 Hours	
Professional Hourly Rate		\$279
(Total Budget Included in Hourly Rate divided by Mission Direct FTE Hours )		

\* Methodology based on OMB circular A-25 "User Charges"

\*\* Budget included in Hourly Rate calculation excludes Direct Program Contract Costs

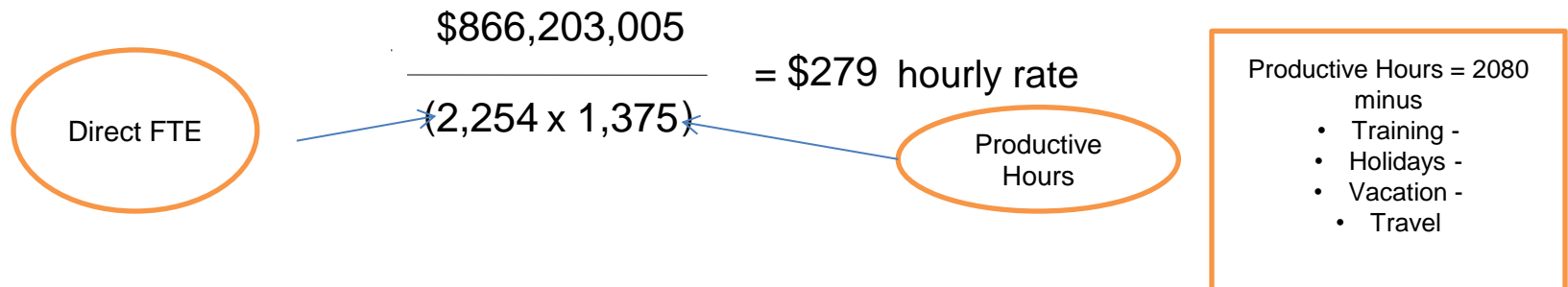
# 10 CFR 170 Hourly Rate Calculation

**Budget Resources**

**\_\_\_\_\_ = Hourly Rate**

**Mission Direct FTE Hours**

**FY 2014 Final Rule**



# HISTORY of PART 170 HOURLY RATE

**Annual Direct Hours Per Full-Time Equivalent (FTE) Reflects the Time Expended by NRC Staff Performing Activities Directly Associated With Programmatic Mission of the NRC**

**Estimate of the Direct Hours Based on NRC's Time and Labor Data for a Prior Year**

<b>FISCAL YEAR</b>	<b>FEE RECOVERABLE BUDGET</b>	<b>BUDGET INCLUDED IN THE HOURLY RATE CALCULATION</b>	<b>DIRECT HOURS PER FTE</b>	<b>HOURLY RATE</b>
2011	\$915.8M	\$837.4M	1,371 hours	\$273 per hour
2012	\$909.5M	\$848.0M	1,371 hours	\$274 per hour
2013	\$864.0M	\$839.6M	1,351 hours	\$272 per hour
2014	\$930.7M	\$866.2M	1,375 hours	\$279 per hour

# 10 CFR 170 Fee Estimate

- Develop estimates by License Fee Class
  - Use Invoice data from 4 quarters
  - Includes Hourly Rate Charges and Contract Work
  - Adjust for changes in workload projections
  - Adjust for change in Hourly Rate
- Proposed Rule estimates 3 Quarters of Fees Collected
  - Invoice data: 3 quarters of prior year & 1 quarter of current year
- Final Rule estimates 1 Quarter of Fees Collected
  - Invoice data: 1 quarter of prior year & 3 quarters of current year

# Part 171 – Annual Fees

## Annual Fee Calculation

1. Budgeted resources by Fee Class
2. Less estimated Part 170 receipts
3. Add allocated generic transportation
4. Allocate Net Fee-Relief/Low Level Waste (LLW) Surcharge
5. Allocate billing adjustment
6. Balance is the required annual fee recovery amount

# Part 171 Calculation example: Power Reactor Fee Class

[Dollars in Millions]

	FY 2011	FY 2012	FY 2013*	FY 2014
<b>Step 1 Budget:</b>	783.6	781.4	734.7	799.3
<b>Step 2 Billings:</b> Part 170 Estimated	(320.6)	(295.5)	(303.8)	(290.9)
<b>Step 3-6 Remaining:</b> Allocated to Annual Fee	460.9	473.7	424.2	499.9

**Operating Reactors**

**104**

**104**

**102**

**100**

**Annual Fee per Reactor**

**\$4,432,000**

**\$4,555,000**

**\$4,159,000**

**\$4,999,000**

\*Sequestration, the Decommissioning of 2 Reactors, and a Fee Billing credit error in FY13 contributed to the Part 171 Fee increase in FY14

# Part 171 Calculation example: Fuel Facilities Fee Class

[Dollars in Millions]

	FY 2011	FY 2012	FY 2013	FY 2014
<b>Step 1 Budget:</b>	55.7	54.4	50.7	47.2
<b>Step 2 Billings:</b> Part 170 Estimated	(26.6)	(25.6)	(19.5)	(16.7)
<b>Step 3-6 Remaining:</b> Allocated to Annual Fee	30.1	29.7	32.9	29.5

**Licensees**

**12**

**10**

**10**

**10**

**Average Change  
from Prior Year**

**+12%**

**+4%**

**+10.5%**

**+ 2.6%**

\*FY 2014 increase due to licensee downgraded license.

# Information Resources

- 10 CFR Part 170 and 10 CFR Part 171  
<http://www.nrc.gov/reading-rm/doc-collections/cfr/>
- FY 2014 Fee Rule, Docket No. NRC-2013-0276  
<http://www.regulations.gov>
  - Final Fee Rule (79 FR 37124; June 30, 2014)
  - Final work papers
  - Proposed Fee Rule (79 FR 21036; April 14, 2014)
  - Public Comments