



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

May 6, 2016

Mr. Benton T. Arnett
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Mr. Arnett:

The U.S. Nuclear Regulatory Commission (NRC) is amending its licensing, inspection, and annual fee regulations to establish a variable annual fee structure for light-water small modular reactors (SMRs). These final amendments to 10 CFR Parts 170 and 171 would define SMRs and establish eligibility requirements for SMRs under this new annual fee structure as applicable.

Unlike the current fleet of operating reactors, SMRs are expected to have unique design features such as limited thermal/electrical power production capacity and modularity. Under the NRC's current fee structure, SMRs would be required to pay the same 10 CFR Part 171 annual fee as existing operating fleet reactors, notwithstanding their smaller size. Without a different annual fee structure for SMRs, licensees would still be eligible to apply each year for a fee exemption for each reactor under 10 CFR 171.11(c). However, if many SMR licensees believed it necessary to apply for an exemption from the fee schedules established by rule to achieve fair and equitable annual fee results, then that would indicate the fee assessment methodology in the NRC's rules is not fair and equitable. This would be contrary to Omnibus Budget Reconciliation Act of 1990, as amended, which requires the NRC to "establish, by rule, a schedule of charges fairly and equitably allocating" various generic agency regulatory costs "among licensees" and, "[t]o the maximum extent practicable, the charges shall have a reasonable relationship to the cost of providing regulatory services and may be based on the allocation of the Commission's resources among licensees or classes of licensees. The implementation of the variable annual fee structure by the NRC would allow SMRs to pay an annual fee that is commensurate with the economic benefit received from its license. Under this final rule, the annual fee for an SMR would be calculated as a function of its licensed thermal power rating. The current annual fee structure for the existing fleet of operating reactors will remain unchanged.

Enclosed is a copy of the final rule which is being transmitted to the *Federal Register* for publication.

Sincerely,

/RA/

L. Ben Ficks, Director
Division of Planning and Budget
Office of the Chief Financial Officer

Enclosure:
Final Rule

May 6, 2016

Mr. Benton T. Arnett
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Mr. Arnett:

The U.S. Nuclear Regulatory Commission (NRC) is amending its licensing, inspection, and annual fee regulations to establish a variable annual fee structure for light-water small modular reactors (SMRs). These final amendments to 10 CFR Parts 170 and 171 would define SMRs and establish eligibility requirements for SMRs under this new annual fee structure as applicable.

Unlike the current fleet of operating reactors, SMRs are expected to have unique design features such as limited thermal/electrical power production capacity and modularity. Under the NRC's current fee structure, SMRs would be required to pay the same 10 CFR Part 171 annual fee as existing operating fleet reactors, notwithstanding their smaller size. Without a different annual fee structure for SMRs, licensees would still be eligible to apply each year for a fee exemption for each reactor under 10 CFR 171.11(c). However, if many SMR licensees believed it necessary to apply for an exemption from the fee schedules established by rule to achieve fair and equitable annual fee results, then that would indicate the fee assessment methodology in the NRC's rules is not fair and equitable. This would be contrary to Omnibus Budget Reconciliation Act of 1990, as amended, which requires the NRC to "establish, by rule, a schedule of charges fairly and equitably allocating" various generic agency regulatory costs "among licensees" and, "[t]o the maximum extent practicable, the charges shall have a reasonable relationship to the cost of providing regulatory services and may be based on the allocation of the Commission's resources among licensees or classes of licensees. The implementation of the variable annual fee structure by the NRC would allow SMRs to pay an annual fee that is commensurate with the economic benefit received from its license. Under this final rule, the annual fee for an SMR would be calculated as a function of its licensed thermal power rating. The current annual fee structure for the existing fleet of operating reactors will remain unchanged.

Enclosed is a copy of the final rule which is being transmitted to the *Federal Register* for publication.

Sincerely,

/RA/
L. Ben Ficks, Director
Division of Planning and Budget
Office of the Chief Financial Officer

Enclosure:
Final Rule

DISTRIBUTION:

Non-Public

OCFO/DPB/RF

Adams: Yes No

Initials: AH SUNSI Review: AH

Publicly Available

Non-Publicly Available

Sensitive

Non-Sensitive

ADAMS ACCESSION NO.: ML16054A281

See email*

OCFO-009

OFFICE	OCFO/DPB/LFPT	OCFO/DPB/LFPT	OCFO/DPB	OCFO/DPB
NAME	AHoward:lmv	MKaplan	ABradford	BFicks
DATE	3/24/16	4/29/16		05/05/16

