

# PUBLIC SUBMISSION

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**Docket:** NRC-2017-0026  
Revision of Fee Schedules: Fee Recovery for FY 2018

**Comment On:** NRC-2017-0026-0001  
Revision of Fee Schedules; Fee Recovery for Fiscal Year 2018

**Document:** NRC-2017-0026-DRAFT-0010  
Comment on FR Doc # 2018-01065

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## Submitter Information

**Name:** Pamela Cowan  
**Submitter's Representative:** Allison Borst  
**Organization:** Nuclear Energy Institute

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## General Comment

See attached file(s)

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## Attachments

02-26-18\_NRC\_NEI Comments on FY18 Proposed Fee Rule

**PAMELA B. COWAN**  
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February 26, 2018

Ms. Annette Vietti-Cook  
Secretary  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
ATTN: Rulemaking and Adjudications Staff

*Submitted via Regulations.Gov*

**Subject:** Industry Comments on Fiscal Year 2018 Proposed Fee Rule (NRC Docket ID NRC-2017-0026)

**Project Number: 689**

**Reference:** Letter, J. Pollock (NEI) to A. Vietti-Cook (NRC), Fuel Cycle Industry and Materials User Comments on Fiscal Year 2018 Proposed Fee Rule (NRC Docket ID NRC-2017-0026), dated February 26, 2018

Dear Ms. Vietti-Cook:

On behalf of the Nuclear Energy Institute's (NEI)<sup>1</sup> members (hereinafter referred to as industry), we provide the following comments for the U.S. Nuclear Regulatory Commission (NRC) staff's consideration as it finalizes the fiscal year 2018 fee rule. Additional comments highlighting specific concerns of fuel cycle licensees and materials users are provided in the above referenced NEI letter.

We appreciate the public meeting held by Ms. Maureen Wylie and other NRC managers and staff on February 12, 2018 to discuss the FY 2018 proposed fee rule and its underlying basis and assumptions. These meetings are informative and we ask that they be continued.

The FY 2018 proposed fee rule is based on the FY 2018 Congressional Budget Justification (CBJ) with \$15 million added for the Integrated University Program. While we recognize that the final fee rule will be adjusted based on the final Congressional appropriation, the NRC budget in the proposed rule represents a 5% increase over fiscal year 2017. Accommodating any increase in budget and associated fees to licensees will be challenging to industry and further highlights the need for the agency to continue its efforts to

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<sup>1</sup> The Nuclear Energy Institute (NEI) is the organization responsible for establishing unified industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include entities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, nuclear materials licensees, and other organizations and entities involved in the nuclear energy industry.

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pursue efficiencies in its operations and programs.

Safe and reliable operation has been, and will always be, the top priority of our industry, and in today's current economic environment, where budgets are shrinking and cost reductions are mandated, the NRC's budget is a fundamental concern. There are eight operating commercial nuclear power plants with announced premature closings between now and 2025, representing a significant portion of the current NRC budget. In the last two fiscal years there has been a 13% decrease in work directly billable to licensees (Part 170), reflecting in part the economic constraints noted above. However, despite the implementation of efficiency measures resulting from Project AIM, most fee classes are facing a 6% or more increase in annual fees (Part 171), as well as a 2.7% increase in the professional hourly rate. Given the critical state of the industry, this disparity cannot be maintained and must be promptly corrected.

Recent improvements in the clarity and transparency of invoices issued to licensees are greatly appreciated. However, additional action is needed to address remaining areas of concern. One such area occurs in billing of inspection costs. Estimates of direct inspection hours are available for each inspection (totaling approximately 1,863 hours/site under the baseline inspection program), but invoices currently do not distinguish between direct inspection hours and inspection support activities. The cost for these support activities, which include documentation, preparation, travel and significance determination efforts, are in many cases double or triple the cost of direct inspection hours (Average 3,488 hours/site). The absence of estimates for support activities necessary for each inspection and a clear identification of support hours presents a challenge for accountability and tracking of inspection costs. Invoices should identify costs associated with the separate and distinct aspects of inspections (e.g., direct inspection hours, preparation, documentation, travel, significance determination process).

Regarding the administrative changes included in the proposed rule, we support the revision that removes the 6% overhead charge for project managers and resident inspectors; replacing this charge with actual hours for activities that support licensees.

NRC fees represent a significant factor in the preparation and planning of budgets for the industry, therefore, it is important that NRC communicate anticipated changes to fee schedules as early as possible. We ask that revised fee schedules be released in advance of publication of the final fee schedule so that timely adjustments to budgets can be made.

Please contact me if you have any questions regarding these comments.

Sincerely,



Pamela Cowan

c: Ms. Maureen Wylie, NRC/CFO