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Nuclear Fuel Services, Inc.

21G-19-0034
GOV-01-55-04
ACF-19-0063

March 4, 2019

Ms. Annette Vietti-Cook, Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

ATTN: Rulemaking and Adjudications Staff

Subject: **Comments on Fiscal Year 2019 Proposed Fee Rule (NRC Docket ID NRC-2017-0032)**

Dear Ms. Vietti-Cook:

Nuclear Fuel Services, Inc. (NFS), appreciates the opportunity to provide the following comments for the U.S. Nuclear Regulatory Commission (NRC) staff's consideration as it finalizes the fiscal year 2019 fee rule.

The FY19 proposed fee rule highlights a 14.8% decrease in total budgeted resources for a proposed FY19 budget of $30 million for the fuel cycle business line. NFS appreciates the NRC taking into account that FY19 will fund a smaller projected workload, based on several factors, leading to a top line budget reduction. The smaller projected workload and the need to reduce overall budgeted resources has been a frequent topic at public meetings and drop-ins for the past several years. NFS sincerely welcomes the decrease in annual fees. We trust that the 14.8% decrease represents the beginning effort to even further budget cuts in FY20 and beyond to match the reduction in resources needed to regulate this small and unique fleet.

While the reduction in annual fees is greatly appreciated, the FY19 proposed fee rule still highlights several inequities. NFS, a HEU fuel facility (Category I), still pays a higher annual fee amount ($6.7 million) than a commercial power reactor ($4.9 million) despite having a significantly smaller risk profile. Also, the HEU annual fee applied to the two Category I facilities represents nearly half of the total budgeted resources and over 50% of the annual fees for the business line. Finally, based on the increased published hourly rate and inspection/ licensing hours projected, NFS estimates the total Part 170 and 171 fees paid in FY19 to be essentially unchanged from FY18.

While the FY19 budget and annual fee decreases represent the appropriate direction considering the changing times, further reductions are needed in the fuel cycle business line budget for FY20 and beyond.

If you or your staff have any questions, require additional information, or wish to discuss this matter further, please contact me at (423) 743-1705, or Mr. Tim Knowles, Licensing Manager, at (423) 735-5061. Please reference our unique document identification number (21G-19-0034) in any correspondence concerning this letter.

Sincerely,

NUCLEAR FUEL SERVICES, INC.

Richard J. Freudenberger, Director
Safety and Safeguards

TAK/pj

Copy:

Ms. Maureen Wylie, CFO
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Mr. Kevin Ramsey
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001