

BRUCE F. VENTO  
4TH DISTRICT, MINNESOTA

230 CANNON HOUSE OFFICE BUILDING  
(202) 225-6631

ROBERT E. HFSS  
ADMINISTRATIVE ASSISTANT

DISTRICT OFFICE  
ROOM 544

FEDERAL BUILDING AND U.S. COURT HOUSE  
316 NORTH ROBERT STREET  
SAINT PAUL, MINNESOTA 55101  
(612) 725-7869

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

HOUSE COMMITTEE ON  
BANKING, FINANCE AND  
URBAN AFFAIRS

SUBCOMMITTEES:  
ECONOMIC STABILIZATION  
CONSUMER AFFAIRS  
HOUSING AND  
COMMUNITY DEVELOPMENT

HOUSE COMMITTEE ON  
INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:  
ENERGY AND THE ENVIRONMENT  
NATIONAL PARKS AND  
INSULAR AFFAIRS

May 14, 1979

Honorable Joseph M. Hendrie  
Chairman  
Nuclear Regulatory Commission  
1717 H St., N.W.  
Washington, D.C. 20555

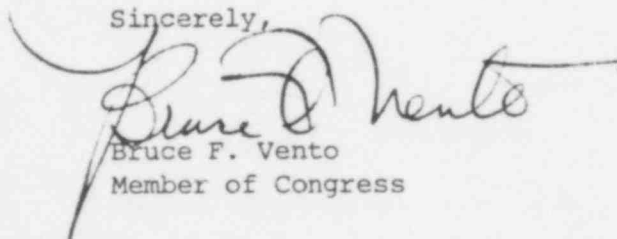
Dear Mr. Chairman:

Enclosed is a copy of the amendment regarding the recovery of costs by the NRC for permits, licenses and inspections which was approved by the full House Interior Committee and a copy of an earlier response which I received from the NRC on the question of cost recovery.

It is most important that as this matter proceeds through the legislative process, Congress have a complete understanding of the current NRC cost recovery program and the estimated total annual unrecovered NRC expenditures by category for licenses, permits and inspections. I would appreciate any further information that you can make available on this subject, as well as, the NRC response to this amendment.

Since this matter may receive full House consideration in the near future, your immediate attention to this issue would be appreciated.

Sincerely,



Bruce F. Vento  
Member of Congress

BFV/sr

Enc.

Question 2

Congressman Vento expressed concern at the March 2 hearing about who bears the cost of the NRC's regulatory activities. Please answer the following related questions:

- (a) From the time an applicant publicly announces the intent to build a nuclear power plant, what is the total cost of the NRC's licensing process leading to a final decision on a construction permit application? How much of this total is paid by the applicant?
- (b) From the time an NRC construction permit is issued, what is the total cost of the NRC's licensing activities leading to a final decision on an operating license? How much of this total is paid by the applicant?
- (c) What portion of the NRC's reactor inspection costs are borne by the licensee during construction? During operation? What portion of NRC's vendor and contractors inspections are borne by the vendors or contractors? What is the NRC's rationale for not requiring the licensees to bear the full costs of these inspections?

Answer

- (a) In the NRC cost recovery program the cost incurred in the review of an application for a construction permit was determined and this cost was used as an upper limit for the fee schedule developed by the Commission in FY 1977. Under the fee program a licensee would be assessed a charge based on actual cost up to \$1,069,000. Since the current fee schedule was developed costs have risen substantially, e.g., approximately 50% for the Office of Nuclear Reactor Regulation; however, recovery is still limited to \$1,069,000. It is the NRC's intent to reassess the costs of licensing and inspection in the near future and where appropriate adjustments will be made. It should be noted that none of the Commission's costs associated with generic licensing, standards development and research are included in fees.
- (b) The average cost of reviewing an application for an operating license is \$1,024,500. Licensees are assessed fees based on actual review costs up to a limit of \$1,024,500. Operating license fees were developed on the same basis as fees for construction permits. Costs in NRR for these reviews have approximately doubled.
- (c) At the time the current fee schedule was developed in FY 1977, inspection costs associated with a construction permit were approximately \$160,000 and \$290,000 for an operating license. These costs were used as the upper limit in the NRC schedule of license fees. Licensees pay inspection costs up to these limits.

578345

Vendors and contractors pay none of the costs incurred in inspections. The Commission's schedule of fees is based on guidance from Court decisions involving the FCC's license fee program. Both the FCC and NRC derive their statutory authority for cost recovery from the Independent Offices Appropriation Act of 1952. Court guidance provided that fees must be assessed to an applicant for specific measurable services. Since vendors in the Licensee Contractor and Vendor Inspection Program (LCVIP) do not file applications or requests for licenses or approvals, the NRC is unable to assess the vendor for inspections.

578347

AMENDMENT TO H.R. 2608

Offered by Mr. Vento

Page 3, after line 24, insert:

TITLE IV--FEES FOR NRC LICENSES, PERMITS AND INSPECTION

Sec. 401. (a) Chapter 16 of the Atomic Energy Act of 1954 is amended by adding the following new section at the end thereof:

Sec. 192. Fees for licenses, permits, and inspection.--

a. Upon the issuance of any license or permit under any provision of this Act, and promptly following completion of the inspection of any facility pursuant to any authority contained in this Act, the Commission shall require payment of a fee for such license, permit, or inspection. Such fee shall be paid by the person to whom such license or permit is issued, or by the owner or operator of the facility inspected, as the case may be. Any fees paid under this section shall be deposited in the general fund of the Treasury.

b. The amount of any fee required to be paid under this section with respect to any license, permit, or inspection shall be equal to the aggregate of the costs incurred, directly or indirectly, by the Commission in issuing the

578358

license or permit involved or in carrying out the inspection involved, as the case may be.

"c. Upon petition of any person required to pay a fee under subsection a., the Commission shall, after notice and opportunity for hearing, adjust the amount of such fee if the Commission determines that such amount was computed improperly. Such petition may only be filed within the 30-day period beginning on the date payment of such fee was required.

"d. Any person aggrieved by an action of the Commission in requiring payment of a fee under this section may file a petition for judicial review in the United States district court for the District of Columbia. Such petition may only be filed within the 33-day period beginning on the date payment of such fee was required, or on the date the Commission readjusted the amount of such fee under subsection c., if applicable.

"e. If any person fails to pay any fee imposed under this section after the final date for such payment under this section, the Commission may commence a civil action in the appropriate United States district court to recover the amount of such fee. In any such action the validity and amount of such fee shall not be subject to review.

"f. Any agreement between the Commission and any State under section 274 under which the State exercises any

578359

authority of the Commission to issue any license or permit under this Act or to carry out any inspection under this Act may provide for the payment of fees to the State in the same manner and amount as fees are required to be paid to the Commission under this section in the case of licenses and permits issued by the Commission and inspections carried out by the Commission.

“g. The Commission shall include in its annual report to the Congress under section 251 a statement of the aggregate amount of fees paid (or required to be paid and carried on the books of the Commission as an account receivable) under this section during the fiscal year which ended during the calendar year preceding the calendar year in which such report is submitted.”.

(b) The table of contents for such chapter 16 is amended by adding the following new item after the item relating to section 191:

“Sec.192. Fees for licenses, permits, and inspection.”.

(c) The amendment made by subsection (a) of this section shall apply to any license or permit issued after the date of the enactment of this Act and to any inspection commenced after such date.

578360

