



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

February 25, 1993

The Honorable Frank R. Lautenberg
United States Senate
Washington, DC 20510-3002

Dear Senator Lautenberg:

I am responding to your January 28, 1993, letter written on behalf of your constituent, Dr. Jerrold Stock, Morristown, NJ, concerning annual fees assessed for License 29-17252-01. As you recall, I sent you a letter on December 11, 1992, responding to your constituent's concern regarding the fee increases. A copy of that letter is enclosed for your convenience. Dr. Stock, in his current correspondence, is seeking a refund of \$1,950.00 for an annual fee for FY 1992 (Invoice AM01479-92).

As stated in the final revision to the Commission's fee regulation in 10 CFR Parts 170 and 171 for FY 1992, which was published in the **Federal Register** July 23, 1992, the Commission exempted from the FY 1992 annual fee those licensees and holders of certificates, registrations and approvals who either filed for termination or for a possession only/storage license prior to December 31, 1991.

Dr. Stock's October 4, 1992, letter to our Lock Box Bank in St. Louis, MO, asking for the license to be placed in an "inactive" status, and his November 10, 1992, letter to our Region I office in King of Prussia, PA, asking that the license be dropped were filed significantly after the December 31, 1991, deadline. Therefore, they were not timely-filed for purposes of avoiding the FY 1992 annual fee.

The original bill was \$4,750.00 for the FY 1992 annual fee for his license, which authorizes the possession and use of byproduct material for human use. Because we did not receive Dr. Stock's small entity certification, which he signed in August 1992, he was not classified by the NRC as a small entity until he forwarded a copy of the certification in January 1993. Since Dr. Stock paid \$1,950.00 instead of the reduced fee of \$1,800.00 for small entities, a refund of the \$150.00 overpayment has been processed. However, as noted above, he is not entitled to a full refund of the \$1,950.00 for FY 1992 since he did not request termination of his license until after the December 31, 1991, deadline.

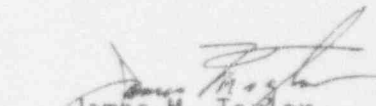
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The Honorable Frank R. Lautenberg - 2 -

If you have any further questions, please let me know.

Sincerely,



James M. Taylor
Executive Director
for Operations

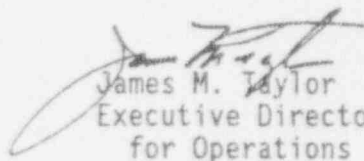
Enclosure:
Copy of December 11, 1992, letter

The Honorable Frank R. Lautenberg

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We realize, of course, that fees do have a financial impact on NRC licensees. Accordingly, in developing the Commission's fee schedules, every effort was made to establish fees that are fair and equitable. We believe that, to the maximum extent practicable, the fees established represent a fair and equitable implementation of OBRA-90 to recover 100 percent of the NRC's budget authority.

Sincerely,



James M. Taylor
Executive Director
for Operations



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DEC 11 1992

The Honorable Frank R. Lautenberg
United States Senate
Washington, D.C. 20510-3002

Dear Senator Lautenberg:

I am responding to your November 11, 1992, letter written on behalf of your constituent, Dr. Jerrold Stock, Morristown, NJ, concerning license and annual fees assessed for License 29-17252-01. The license authorizes the possession and use of byproduct material for medical use.

The Omnibus Budget Reconciliation Act of 1990 (OBRA-90), requires that the Commission recover 100 percent of its budget authority, less appropriations from the Department of Energy (DOE) administered Nuclear Waste Fund, for Fiscal Years 1991 through 1995 by assessing license and annual fees. In order to comply with the law, the Commission revised its fee regulations after careful evaluation of public comments.

To recover 100 percent of the budget, the NRC assesses two types of fees. First, license fees are assessed under 10 CFR Part 170 of the Commission's regulations to recover the costs to the NRC of providing individually identifiable services to specific applicants for, and holders of NRC licenses and approvals. The renewal and inspection fees noted in Dr. Stock's letter are examples of these fees.

The second type of fees assessed by the NRC are annual fees which were established for the first time for materials licensees, including medical licensees, effective August 9, 1991. These fees are assessed to NRC licensees under 10 CFR Part 171 and recover generic and other regulatory costs not recovered under Part 170. For example, NRC costs associated with generic and other regulatory activities include but are not limited to those costs related to formulating regulations, overseeing regional programs, developing inspection programs, event and allegation follow-up and responses to petitions. These types of activities are required in order to effectively regulate NRC licensees. The annual fees that were assessed to Dr. Stock are to recover the generic and other regulatory costs allocated to medical licensees.

To reduce the impact of the annual fees on small entities the NRC established a lower tier small entity fee of \$400 for small businesses with gross annual receipts of less than \$250,000. If a company has gross annual receipts between \$250,000 and \$3.5 million, an annual fee of \$1,800 is applicable for the license.

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