



Department of Nuclear Engineering

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27 July 1993

Office of the Controller
Attn: Ronald M. Scroggins
Deputy Chief Financial Officer/Controller
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Invoice No. AT-0464-93
License R-88, Docket 50-188

Dear Sirs:

Pursuant to 10 CFR Part 171.11(b), this is a request for an individual exemption from payment of annual fees for the Kansas State University TRIGA Mark II Nuclear Reactor, a teaching and research reactor operated by a nonprofit educational institution.

The exceptional treatment requested is in the public interest and is justified (1) because payment of the annual fee, namely, \$62,100 for federal fiscal year 1993, would impose severe financial hardship, and (2) because the training and research reactor provides significant externalized benefits to other licensees and to the public in general.

As to the financial hardship, the total staff for the reactor consists of one full-time technician, two half-time technicians, and one faculty member, 30 percent of whose time is allocated to reactor management. The reactor staff budget for salaries, including benefits, amounts to only \$96,789 (fiscal year 1994). Other expenditures are paid from very limited state appropriations. The total non-salary budget (fiscal year 1994) for the Department of Nuclear Engineering, which includes the nuclear reactor, amounts to only \$39,937 for equipment, services, and supplies used in education and research. Because our nuclear fuel is owned by the government, we have no income from commercial irradiations. We do receive from the Department of Energy, irregular and modest grants for upgrade of reactor instrumentation and annual grants of about \$7000 to underwrite reactor sharing operations.

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As to externalized educational and research benefits, the charter of the reactor calls for its use not only for research and education in nuclear engineering, but also as a demonstration facility and as a reactor sharing facility providing educational and research support not only for units within Kansas State University, but also for other educational and research institutions. For example, in recent years, the reactor has provided research support services to other Commission licensees, namely, Cooper Nuclear Station (Nebraska Public Power District), Wolf Creek Nuclear Operating Corporation, and U.S. Geological Survey in Denver, Colorado, and to other educational institutions ranging from the University of Kansas, south to Louisiana State University, west to the University of Southern California, and east to the University of Georgia.

As to externalized benefits to the public in general, the reactor hosts thousands of visitors annually. Special educational programs are arranged for scouting and 4-H groups. Civic organizations and special interest groups are accorded specially tailored programs. Primary and secondary schools throughout Kansas send their students for tours.

We are prepared to provide more detailed information and, if necessary, to meet with Commission staff to support our plea for exceptional relief from payment of licensing fees.

Very sincerely yours,

A handwritten signature in cursive script that reads "Richard E. Faw".

Richard E. Faw, Director
Nuclear Reactor Facility