

CFO



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

December 22, 1993

The Honorable Conrad Burns
United States Senate
Washington, DC 20510-2603

Dear Senator Burns:

I am responding to your letter of November 21, 1993, regarding NRC's fee structure for nuclear devices.

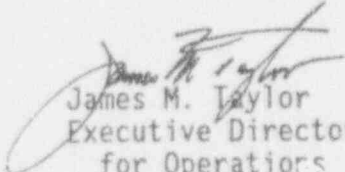
As you noted, the Omnibus Budget Reconciliation Act of 1990 (OBRA-90) requires that the Commission recover 100 percent of its budget authority, less appropriations from the Department of Energy (DOE) administrated Nuclear Waste Fund, for Fiscal Years 1991 through 1998 by assessing license and annual fees. The NRC regulations that implement OBRA-90 contain provisions that reduce the impact of fees on small entities. For licensees with gross receipts between \$250,000 and \$3,500,000, a maximum annual fee of \$1,800 has been established. A lower-tier small entity fee of \$400 has been established for small businesses and non-profit organizations with gross annual receipts of less than \$250,000 and for small governmental jurisdictions with populations of less than 20,000. The Commission recognizes that this fee structure does not eliminate all economic impacts, but strikes a balance between the requirements of the Public Law to collect 100 percent of the budget and the Regulatory Flexibility Act to consider the impact of small entities.

The Commission is currently evaluating whether its small entity size standards should be changed based on the results of a survey of NRC licensees and the recent proposed rule published in the Federal Register by the Small Business Administration that would amend the Small Business Size Standards.

The Energy Policy Act of 1992 also requires NRC to review its policy for assessment of annual fees under OBRA-90, solicit public comment on the need for changes to this policy, and recommend changes in existing law to the Congress that the NRC finds are needed to prevent the placement of an unfair burden on certain NRC licensees. On April 19, 1993, the Commission published a notice in the Federal Register that requested comments on NRC's fee policies. The issue that you noted was also raised in the public comments which are currently being evaluated by the NRC. We anticipate submitting a report to Congress in January 1994.

If I can be of further assistance, please let me know.

Sincerely,


James M. Taylor
Executive Director
for Operations

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United States Senate
Washington, DC 20510-2603

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Original signed by
James M. Taylor

James M. Taylor
Executive Director
for Operations

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United States Senate

WASHINGTON, DC 20510-2603

November 21, 1993

The Honorable Ivan Selin
Chairman
Nuclear Regulatory Commission
One White Flint North Building
11555 Rockville Pike
Rockville, Maryland 20852

Dear Mr. Selin:

I am writing to you regarding licensing fees for nuclear devices. Let me explain further.

I have been contacted by constituents in my state who are concerned about the fee structure for the licensure of nuclear density meters. I understand that as a result of the 1990 Omnibus Reconciliation Act (OBRA), the NRC must charge fees in order to meet its budget expenses.

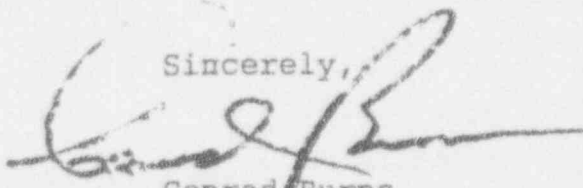
It is my understanding that fees are determined according to the size of the business, with "lower tier small entities" being defined as businesses with gross annual receipts of less than \$250,000. The next step up is "upper tier small businesses" with gross annual receipts of \$250,000 to \$3.5 million.

The business I am concerned about falls into the "upper tier small business"--barely. Because of this, the fees this business pays are 4.5 times higher than the fees it would pay had it grossed slightly less and fallen into the "lower tier" category. To me, this seems a high price to pay for falling into the "upper tier" category.

I am interested in working with you and with my colleagues to resolve this issue and am hoping that consideration can be given to alternative licensing fee scales--such as a "per-meter" formula not dependent on the size of the business.

I realize that the NRC will be submitting a report to Congress that may address this matter in mid-December. I will look forward to reviewing that report with these concerns in mind.

Sincerely,



Conrad Burns
United States Senator

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CONGRESSIONAL CORRESPONDENCE SYSTEM
DOCUMENT PREPARATION CHECKLIST

This checklist is to be submitted with each document (or group of Qs/As) sent for filing into the CCS.

1. BRIEF DESCRIPTION OF DOCUMENT(S) ltr. to Sen Burn
2. TYPE OF DOCUMENT Correspondence Hearings (Qs/As)
3. DOCUMENT CONTROL Sensitive (NRC Only) Non-sensitive
4. CONGRESSIONAL COMMITTEE and SUBCOMMITTEES (if applicable)

Congressional Committee

Subcommittee
5. SUBJECT CODES
(a) _____
(b) _____
(c) _____
6. SOURCE OF DOCUMENTS
(a) _____ 5520 (document name _____)
(b) Scan- (c) _____ Attachments
(d) _____ Rekey (e) _____ Other _____
7. SYSTEM LOG DATES
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(b) _____ Date CCS receives document
(c) _____ Date returned to OCA for additional information
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8. COMMENTS
