



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

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NOV 12 1981

MEMORANDUM FOR: W. O. Miller, Chief
 License Fee Management Branch

FROM: Lloyd J. Donnelly, Chief
 Resource Management Branch

SUBJECT: IE PROFESSIONAL RATE - FY 1981

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This is in response to your November 12, 1981 memo (enclosed) requesting a review of the IE professional rate for license fee collection purposes. As I mentioned to you and Mr. Holloway in our meeting last week, IE cannot perform a very meaningful review of this professional staff year rate. The reason for this is twofold:

- a. We do not have access to source documents for most of the dollar amounts reflected in your memo. These are maintained by the Controller's Office and we only see similar figures in the agency budget documents. None of the budget documents we have track exactly with the information provided by the Controller. However, since there is a high probability that the Controller's cost data is more current, I would not have any basis to question it.
- b. We do not know the objective(s) (in terms of cost recovery) behind the proposed method of calculation. By inference we can assume the following and on that basis concur with the approach:

ASSUMPTIONS

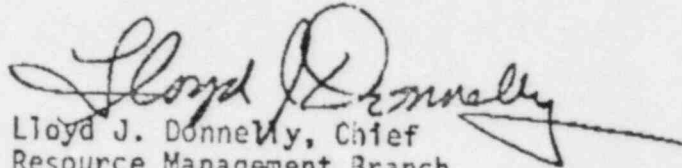
1. The Agency does not want to collect any IE program support or technical equipment costs.
2. The Agency does not want to collect any of the direct staff effort for IE mission work other than direct inspection (including preparation and documentation) plus an associated amount of leave and holiday time.
3. The Agency wants to only collect a part of the IE indirect staff and a part of PDA/PTS costs (in proportion to the direct inspection and leave hours reported for license fee purposes).

It does appear, however, that the dollar amounts in your memo are from FY 1981 and the staffing numbers are from FY 1980. If so, this is an obvious inconsistency. Our data shows a professional direct staff of 678 budgeted for FY 1981 against a budgeted end strength of 975. Since you asked for same day turnaround for our review, we were unable to determine with the Controller if they used FY 1980 or FY 1981 staffing data. Also, if the PDA/PTS cost (\$8.327 million) includes administrative support costs for HQ IE, there is very likely some duplication between that amount and the administrative support

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cost shown separately for IE (\$6.837 million). Finally, as a further refinement to the calculation, it would appear logical to use actual staffing data (not budgeted) in conjunction with actual cost data.


Lloyd J. Donnelly, Chief
Resource Management Branch
Office of Inspection & Enforcement

Enclosure:
As stated

cc: R. DeYoung
L. I. Cobb