

NOV 25 1981

MEMORANDUM FOR: Files

THRU: William O. Miller, Chief, License Fee Management Branch, ADM

FROM: C. James Holloway, Jr., Assistant Chief, License Fee Management Branch, ADM

SUBJECT: DEVELOPMENT OF COST RANGE DATA FOR FACILITY AMENDMENTS

As a follow-up to our memorandum dated July 20, 1981, to Herb Berkow concerning the above subject, LFMB identified approximately 200 completed amendment actions and verbally requested the NRR professional staff hours expended for the cases. We received on September 8, 1981, a computer printout of all Technical Assignment Control System (TACS) numbers from December 7, 1975 through August 8, 1981. We reviewed the TAC numbers and the staff hours expended for the 200 completed amendment items. The least amount of time expended or the "low" was one hour (TAC 11632) spent on an administrative type change in fee Class I and the most amount of time expended or the "high" was 2,608.9 hours (TAC 42090) for an amendment action in fee Class IV. We further requested that NRR check 20 of the completed cases to determine whether or not any contractual services costs had been expended in support of the amendment review. Two of the twenty cases were identified as having contract costs, namely, TAC 12517 for \$5,000 and TAC 42090 for \$2,800.

In order to determine the range of costs for power reactor amendments to be used in the staff paper proposing to revise the fee schedule, the NRR revised hourly rate will be applied to the manpower expended for the amendment reviews. Thus, the "low" of the amendment range would be 1 hour times the hourly rate and the "high" for the amendment range would be 2,608.9 hours times the hourly rate plus \$2,800 contractual costs for TAC 42090.

For test and research reactors, we received from NRR a computer printout of completed amendment actions for the period March 23, 1978 to June 30, 1981. Again the "low" of the amendment range was one hour expended and the "high" was 678.7 hours expended for test and research amendment actions. The hourly rate will be applied to the manpower expended; thus, the "low" of the amendment range for test and research amendment actions is 1 hour times the hourly rate and the "high" for the amendment range would be 678.7 hours times the hourly rate.

DISTRIBUTION:

LFMB License Fee File *Fee Workpapers (to Keller)* Signed, C. James Holloway, Jr.  
CJHolloway, LFMB ✓

RMDiggs, LFMB  
KLKohler, LFMB  
LFMB R/F (2)

C. James Holloway, Jr., Assistant Chief  
License Fee Management Branch

ICE	LFMB:ADM		Office of Administration	
ME	C. J. Holloway	8302180262 830111		
TE	11/24/81	PDR FOIA KNOWLES82-607 PDR		



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

*Halloway*

NOV 30 1981

MEMORANDUM FOR: Chairman Palladino  
 Commissioner Gilinsky  
 Commissioner Bradford  
 Commissioner Ahearne  
 Commissioner Roberts

FROM: William J. Dircks, Executive Director for Operations

SUBJECT: PART 170 LICENSE FEES - REQUEST FOR ADDITIONAL INFORMATION  
 (REFERENCE: M811102B)

This responds to the Commission's request dated November 4, 1981 for the following information regarding the proposed license fee schedule in SECY 81-615.

ITEM 2: "the professional rate be recalculated based on actual FY 1981 costs rather than on FY 1977 costs modified by inflation factors and salary increases".

RESPONSE: The professional rates have been recalculated based on actual FY 1981 costs. The following are the revised rates.

<u>Office</u>	<u>Professional Staff-Year Rate</u>	<u>Professional Staff-Hour Rate</u>
NRR	\$111,792	\$62
IE	94,843	53
NMSS	104,807	58
ACRS	111,487	62
ASLBP	110,765	62
ASLAP	118,385	66

Based on the revised rates, the cost of a CP would range from \$2.2 million to \$3.3 million while an OL would range from \$2.7 million to \$3.2 million. This is about 15% more than the amount shown for the CP and OL ranges in SECY 81-615. Cost ranges for fuel cycle facilities would also increase by about 15%. The range for inspection fees would increase about 13%.

It is anticipated that collections would increase in FY 82 from \$50 million to \$59 million and in FY 83 from \$40 million to \$58 million.

ITEM 3: "staff provide a summary of the total IE manpower involved in inspections and other major actions for which the costs are recovered and a summary of the actions that involve the remainder of IE professional manpower expended".

RESPONSE: The FY 1982 budget contains 985 positions for IE. Of this amount, about 620 or 63% of the total are considered professional/technical staff and the remainder, 365 positions or 37% of the total, are management direction (supervisory) and clerical positions.

*Dupe 830106049*  
*30*

For fee purposes, it is estimated that about 300 of the 620 professional/technical staff years will be recovered through license and inspection fees since these positions are directly involved in preparing for, conducting, and documenting the routine and non-routine inspections. Under current license fee guidelines the remaining 320 professional direct positions are not recoverable through fees because they are performing inspection activities which are not directly chargeable to specific licensees; e.g., reviewing generic safety matters, NRC Operations Center Management, specific study groups, task force participation, program development, bulletin coordination, event evaluation, mobile lab management, technical support to HQ/other NRC offices, State Liaison Officer coordination, travel and attendance at training courses.

For cost recovery purposes the costs of the 365 supervisory and clerical support personnel have been distributed to the 620 IF professionals. Thus each professional bears a proportionate share of these costs. Assuming that approximately 300 professional staff years are charged to dockets, then 48% of the costs of the support personnel should be recovered.

Based on the above IE allocation of staff resources, we can expect to recover about \$18 million in FY 1982 and \$27 million in FY 1983 in inspection fees. The FY 1982 estimate assumes the adoption of the revised schedule on April 1, 1982.

ITEM 4: "staff explain the basis for the policy decision whereby licenses issued to Federal, state and local governments and to non-profit education institutions are exempted from fees. An estimate of the funds involved is to be included".

RESPONSE: SECY 81-615 proposes to continue the exemption from fees for licenses issued to Federal agencies (except for commercial power reactors), State and local governments, and to non-profit educational institutions where the use is teaching, training or medical purposes.

Federal Agencies - The Commission does not presently have statutory authority to collect fees from Federal agencies. The NRC collects fees under authorization provided by Title V of the Independent Offices Appropriation Act of 1952, which states, in part, that any license or permit issued by a Federal agency to any person except those engaged in the transaction of official business of the Government shall be self-sustaining to the full extent possible. Thus, Title V explicitly prohibits charging fees for licenses issued to other Federal agencies. However, there is one exception. On June 16, 1972, the Atomic Energy Act of 1954 was amended (new subsection 161w) to authorize the Commission to collect fees from Federal agencies for licenses for power reactors producing heat or electrical energy on a commercial basis.

Additional legislation would be required before the Commission could charge fees for non-power reactor licenses and permits and material licenses issued to Federal agencies. The costs in FY 81 for these licenses was about \$200,000 and involves about 1,100 licenses.

State and Local Governments - The exemption from fees for licenses issued to States and political subdivisions thereof was granted by the Commission on May 25, 1972. There are approximately 400 NRC licenses held by States and local governments and their costs in FY 81 were about \$45,000. The exemption was granted for the purpose of providing assistance to the States. OMB Circular A-25, the implementing circular for the Independent Offices Appropriation Act, provides that an agency may make exceptions to the general policy for assessing fees for services rendered when "payment of the full fee by a State, local or non-profit group would not be in the interest of the program".

There is no legal constraint that would prohibit the Commission from modifying past policy to recover these costs.

Non-Profit Educational Institutions - The exemption from fees for NRC licenses issued to and held by educational institutions was granted October 1, 1968. The policy to exempt such licenses from fees was intended to encourage higher education and research and considered to be in the public interest. In FY 1981 the revenue loss because of the exemption for these 950 licenses was about \$425,000.

ITEM 1: "staff conduct a study to determine whether use of the actual cost method when determining fees for radioisotopes licenses would have a significant economic impact on a substantial number of small entities. The results of the study are to be presented to the Commission in February. In the interim period, fees for the stated licenses and inspections need not be revised."

RESPONSE: Due February 1982.

(Signed) William J. Dircks

William J. Dircks  
Executive Director for Operations

DISTRIBUTION:

DJDonoghue, ADM	WJDircks, EDO	cc: SECY
PNorry, ADM	LFMB Lic. Fee Fl.	OPE
WOMiller, LFMB	KCornell, EDO	OGC
CJHolloway, LFMB	LFMB R/F (2)	
EDO R/F (2)		

OFFICE	LFMB:ADM	LFMB:ADM	ADM	ADM	EDO <i>Exc</i>	EDO
NAME	CJHolloway:bs	WOMiller	PNorry	DJDonoghue	KCornell	WJDircks
DATE	11/ /81	11/27/81	11/ /81	11/27/81	11/30/81	11/30/81