



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

DEC 8 1981

MEMORANDUM FOR: Daniel J. Donoghue, Director, Office of Administration

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

SUBJECT: EXCLUSION OF THE COSTS OF CERTAIN SERVICES AND OFFICES FROM
LICENSE FEES - FY 1981 BUDGET

Prior to developing the professional staff year rates contained in SECY 81-615, we agreed and OELD concurred that we should continue to exclude from fees those costs in Program Direction and Administration (PDA) and Program Technical Support (PTS) which were previously excluded in FY 1977. (See memo WOMiller to DJDonoghue 3/04/77, Enclosure 1).

In preparing the revised professional staff year rates based on FY 1981 budget data as requested by the Commission on November 4, 1981 (transmitted by memorandum dated November 30, 1981), we analyzed the Office of Small and Disadvantaged Business Utilization and the Office of Analysis and Evaluation of Operational Data which had been created since our FY 1977 review. Based on this analysis and discussions with you and OELD on November 9, 1981 these two offices were also excluded from cost recovery.

1. Small and Disadvantaged Business Utilization - This office was created in response to Public Law 95-507 (an amendment to the Small Business Act and Small Business Investment Act of 1958). Major objectives of the office include (1) an outreach program (workshop and trade show participation) designed to stimulate greater small business awareness of NRC requirements, (2) provide training for small businesses in agency contract procedures and (3) review, categorize and file as source documents, corporate capability statements from small, small/disadvantaged and women-owned businesses.
2. Analysis and Evaluation of Operational Data (AEOD) - This office was created largely in response to Three Mile Island and recommendations of the General Accounting Office and the Kemeny Commission. The office is to collect, analyze and disseminate information received from all licensed facilities with particular emphasis on operating reactors and to assess the safety implications such data has for regulatory policies and procedures. The office has lead responsibility for coordinating operational data analysis performed by the program offices and provides the Executive Director for Operations with an unbiased review of the operational incidents.

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The functions of AEOD were discussed with Jack Heltemes, Deputy Director, on November 9, 1981 and he indicated that, viewed as a whole, the benefit from AEOD work goes to a broad class of licenses; e.g., PWR, BWR, etc., rather than to specific licensees. He further stated that although the office reviews and analyzes events that happen at specific plants, the recommendations which AEOD makes to NRR and IE are generic in nature and, if adopted, result in NRR and IE circulars or bulletins which cover a broad class of licenses (Enclosure 2).

The central theme of the Supreme Court decisions, as viewed by the Court of Appeals (D.C. Circuit), is to limit charges to costs reasonably incurred in processing applications required by statute or regulation. This is the basic measure of the special benefit conferred upon them (see memo of General Counsel, January 13, 1977 pp. 5-6). In light of data provided by the offices listed above, it appears that the services of these offices do not go to identifiable recipients and to processing individual applications. Therefore, the costs are not recoverable.

William O. Miller

William O. Miller, Chief
License Fee Management Branch
Office of Administration

Approved:

Daniel J. Donoghue

Daniel J. Donoghue, Director
Office of Administration

Robert J. Finner

Office of Executive Legal
Director

Enclosures:

Memo WMiller to DJDonoghue
dated 3/04/77

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1. Small and Disadvantaged Business Utilization - This office was created in response to Public Law 95-507 (an amendment to the Small Business Act and Small Business Job Growth Act of 1978) which requires that the NRC conduct a series of activities (1) workshops and trade show participation designed to stimulate greater small business awareness of NRC requirements, (2) provide training for small businesses in agency contract procedures and (3) review, categorize and file as source documents, corporate capability statements from small, small/disadvantaged and women-owned businesses.
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Original Signed By

Wm. O. ...

Director, Office of
License Fee Management
Office of Administration

ORIGINAL SIGNED BY

Daniel J. Donoghue

Daniel J. Donoghue, Director
Office of Administration

Office of Executive Legal
Director

Enclosures:
Memo WMiller to DJDonoghue
dated 3/04/77

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