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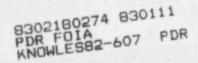
Daniel J. Donoghue, Director Office of Administration '

EXCLUSION OF SERVICES AND COSTS OF CERTAIN OFFICES FROM LICENSE FEES - FY 1977 BUDGET

Recently Robert L. Fonner of ELD and Illiam O. Miller, C. James Holloway, and Herbert F. Rickert, all of the License Fee Management Branch, met to review the NRC Program Direction and Administration (PDA) and Program Technical Support (PTS) organizational units and other offices for license fee purposes, and it was decided that the activities shown below and their costs would be excluded from fee recovery. These exclusions appear to be in accord with the Court decisions of December 16, 1976, relating to FCC license fees and guidance provided by the Office of General CounseI, dated February 7, 1977.

- 1. Policy Evaluation This office advises the Commission on a broad range of substantive policy matters and thus provides an independent review of positions developed by the NRC staff which require policy determination by the Commission. Projects are either self-generated or requested by the Commission and are generally not concerned directly with licensing or inspection.
- 2. Inspector and Auditor This office is responsible for developing policies and standards that govern the financial and inspection with an independent review and appraisal of programs and operations. It conducts investigations and inspections to ascertain and verify the integrity of all NRC operations. It is not involved in the licensing or inspection programs or supportive to them.
- 3. Congressional Affairs This office assists and advises the Commission on Congressional matters, coordinates interagency Congressional relations activities and is the principal liaison for the Commission with Congressional committees and members of Congress. Areas of Congressional interest include international proliferation, Federal State relations, safeguards, waste management, and operating reactor safety. It does not support the licensing or inspection programs.

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- 4. Public Affairs This office plans and administers the NRC's comprehensive program to inform the public of Commission policies, programs and activities and to inform NRC management of public affairs activities of interest to the Commission. This office is public oriented.
- 5. Planning and Analysis This office assists the Executive Director for Operations in program assessment and policy analysis and development. Activities include the direction and support of efforts to improve internal regulatory effectiveness, as well as to implement and refine internal management systems of those offices reporting to or through the EDO. This office is not supportive to the licensing and inspection programs.
- Equal Employment Opportunity This office is responsible for defining the procedures and practices necessary to attain and maintain equal employment opportunities within the NRC.
- 7. International and State Programs This office plans, develops, and implements programs of international and State cooperation. In the international area, activities involve the negotiation and implementation of regulatory and cafety exchange agreements with other countries, licensing the import and export of nuclear materials and facilities, as well as nonproliferation and international safeguards policy planning, analysis, and coordination. In the State program, activities include the development and implementation of plans, policies, and programs for the coordination and integration of Federal and State responsibilities in the regulation of nuclear materials and facilities, and administration of the State Agreements program whereby qualified States assume certain NRC regulatory functions.
- 8. Special Projects Branch, Office of Executive Director for Operations This Branch prepares, coordinates, and edits Congressional testimony. It prepares the annual report to Congress, and completes other special projects. Its activities are outside the licensing and inspection areas.
- 9. Division of Rules and Records, Office of Administration —
 The primary purpose of this division is to handle requests concerned with the Freedom of Information, Privacy and Federal Report Acts. The Division provides administrative support involving Regulatory rules and regulations and is not involved in licensing or inspection activities.

- 10. Standards All standards activity would be excluded from consideration in developing a revised license fee schedule. This includes standards activities irrespective of the office or division. Even though these activities provide substantial benefit to applicants in preparing and filing applications for permits, licenses and approvals, there is generally no specific identifiable recipient for the service. The decision to develop a particular standard is the Commission's and is not undertaken upon receipt of an application.
- 11. Research There is no specific identifiable recipient for this service, i.e., it broadly benefits all applicants and licensees. Research is not undertaken upon receipt of an application.
- 12. Generic Activities In the generic area most of the effort is in support of the licensing process, however, there is no specific identifiable recipient for the service.

The central theme of the Supreme Court decisions, as viewed by the Court of Appeals (D.C. Cir.), is to limit charges to licensees to the costs reasonably incurred in processing their applications as 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). Each office or activity listed above can fairly be seen as falling into one or more of the following categories: (i) it provides an "independent public benefit" (e.g. standards, research, and generic activities) (ii) it does not serve identifiable recipients, (iii) it serves a bureaucratic function relevant to NRC as an agency of government but not necessarily germane to processing individual applications. Accordingly, it would be difficult, if not impossible, to justify the inclusion of their costs in the fee base.

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Office of the General

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OFFICE FOR ANALYSIS AND EVALUATION
OF OPERATIONAL DATA

ITEM OF INTEREST

WEEK ENDING NOVEMBER 6, 1981

Case Study Released on Millstone 2 January 2, 1981 Event

A case study of the event at Millstone 2 that occurred on January 2, 1981 has been completed and forwarded to NRR and IE for appropriate action. The study was undertaken because the event, which was initiated by an operator mistakenly de-energizing one of the station 125 V dc buses, involved several incidents. The incidents involved were:

1. Partial loss of normal offsite power:

2. Complete loss of control room annunciators;

 Inoperability of both emergency diesel generators (one of them due to an independent failure);

4. Loss of several indicators in the control room; and

5. Ineffective pressurizer spray through the normal spray system.

The AEOD evaluation of the event did not identify any safety concerns or the need for any further action by the NRC other than those being considered in the generic safety task A-30, "Adequacy of Safety Related DC Power Systems" and the Unresolved Safety Issue A-44, "Station Blackout." There are, however, certain lessons to be learned from the event that AEOD believes should be identified to the licensees for their consideration and information. These are:

 The need to revise procedures of operating plants to address the recovery from a loss of a dc bus event by including the effects of re-energization of the lost bus:

2. The need to inform plant operators of problems that could be encountered when diesel generators are running in an emergency mode, and the need to add corrective actions in appropriate procedures to counter these problems;

3. The need to make plant operators aware that during partial pump operation certain pump combinations may exist which will not provide adequate spray flow to the pressurizer:

4. The need to familiarize plant operators with the potential for nonequilibrium pressurizer behavior when normal spray flow is unavailable; and

 The need to familiarize operators with core conditions that produce significant quantities of non-condensibles.

AEOD recommended (a) the issuance of an IE Circular covering the details of this event and the identified concerns and (b) the above items be addressed in the qualification of plant operators.