January 8, 1982

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MEMORANDUM FOR: Richard C. DeYoung, Director, Office of Inspection and Enforcement

FROM: Daniel J. Donoghue, Director, Office of Administration

SUBJECT: PROPOSED LICENSE FEE SCHEDULE REVISION

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As you know, we met with the Commission (SECY 81-615) on November 2, 1981, to discuss revising the license fee schedule in Part 170. In the staff paper, we proposed no change in fees for the small materials programs. However, as a result of the meeting, the Commission has requested (see Item 1, memorandum Chilk to Dircks, November 4, 1981, Enclosure 1) that we conduct a study to update the current fees in Part 170. The results of the study are to be presented to the Commission in February 1982.

Presently, the inspection fees for small special nuclear, source and byproduct material programs were developed using the <u>average</u> professional staff hours expended to conduct the various types of routine inspections. Now we are to conduct a study to determine the actual costs of the materials inspection program and explore the impact of changing from the current schedule of <u>average</u> costs to <u>actual</u> costs. As you know, one concern expressed by the Commission in its review of the proposed schedule in SECY 81-615 was the low percentage of IE cost recovery through inspection fees. For example, in FY 1981, about \$600,000 was recovered from routine inspections of the small materials programs. Enclosure 2 of your memorandum to me dated November 20, 1931, indicates that in FY 1982, IE plans to expend 11.9 professional staff years (\$1.1 uillion) for routine inspections of small materials programs.

A fee program based on actual costs would require IE to keep track of the actual professional staff hours expended for each inspection and any related contractual services costs associated with the inspection. Under the actual-cost method, professional staff hours and any related contractual services costs would be reported and billed for each routine and non-routine inspection.

Currently, we understand that the inspectors conducting inspections of small materials programs charge their time expended to two different accounting systems; i.e., the 766 system and the MPS system. The 766 system charges time to a specific docket but does not pick up preparation time and follow-up time (also it is not audited for completeness). The MPS collects all of the time required for an inspection but the time is charged to a program code rather than a specific docket or license. As you know, we have proposed in SECY 31-615 that inspection fees for fuel cycle programs be based on actual costs and IE has agreed to keep track of the actual staff-hours expended (this data goes into the MPS).

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Richard C. DeYoung

When we developed the proposed schedule of revised fees for fuel cycle licenses (contained in SECY 81-615), we were advised by the legal staff to show the expected range of inspection fees based on the actual manpower expended for several cases in a fee category. To assist us in developing a proposed revision to the fee schedule, we request that your office provide us with a range of manpower expended (Enclosure 2) for inspection (routine and non-routine) of the small materials programs. The range for each category of license (\$170.32) would show the minimum costs (manpower and contractual) and maximum costs to conduct a single inspection of licenses in the category. In addition, please indicate whether the midpoint of the range, which you establish for each category, would be a representative average that could be used in the event the Commission decides to continue the average cost method of determining inspection fees for small licensed programs. If the midpoint of the range is not a representative average, then please provide the average for each fee category.

I would appreciate receiving the information requested above by January 27.4 1982. Please designate a contact on your staff with whom we should work to develop our report for the Commission.

We will be pleased to meet with you or members of your staff to discuss this request. If you have questions, please contact me (27335) or William O. Miller (27225).

ORIGINAL SIGNED BY

Daniel J. Donoghue, Director Office of Administration

2.

Enclosures:

- 1. Memo Chilk to Dircks 11/04/81
- 2. Tables
- 3. Commissioner Ahearne's Response Sheet

DISTRIBUTION: License Fee File (LFMB) DJDonoghue, ADM PNorry, ADM WOMiller, LFMB CJHolloway, LFMB KLKohler, LFMB LFMB R/F (2)

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INFORMATION FOR LICENSE FEES

PROJECTED FY 82 RESOURCE COMMITMENT

PROFESSI	ONAL PROCESSIN	IG TIME		PROJECTE	D FY 82 R	ESOURCE C	OMMITIMEN	-
		GUARDS	SAF	SAFEGUARDS Contr.				
Contr. Asst.	SH 1/	Contr. Asst.	No. of Inspec.	SH 1/	Contr. Asst.	No. of Inspec.	<u>SH</u> У	Asst.
rom To	From To	From To						

PRESENT FEE CATEGORIES

1. SPECIAL NUCLEAR MATERIAL

- []I. Licenses for possession and use of special nuclear material in sealed sources contained in devices used in industrial measuring systems.
- Routine J. All other special nuclear material licenses, except Nonlicenses authorizing Routine special nuclear material in unsealed form in combina-(A11 Other) tion that would constitute a critical quantity as defined in § 150.11 of Part 150 which shall pay the same rate as Category 1A and special nuclear material for use in power generation which shall pay the fee in
- 2. SOURCE MATERIAL

Category 10.

Routine D. All other source material licenses (Does not include Nonmilling, in-situ leaching, Routine heap leaching, refining (A11 uranium mill concentrates Other) to UF6 ore buying stations and ion exchange facilities.)

1/ Professional Staff Hours (Includes preparation time, inspection time and documentation time).

SAFETY & ENVIR.

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From To

Routine

Routine

Other)

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Non-

From

INFORMATION FOR LICENSE FEES

			PROFESSIONAL PROCESSING TIME			PROJECTED FY 82 RESOURCE COMMITMENT									
			SAF	ETY 8	ENVIR			SAFE	GUARDS .		SAFETY &	ENVIR.	No. of	FEGUARDS	
SENT	FEE CATEGORIES		SH		Cont Ass	t	SH		Contr. Asst.	No. of Inspec- tions	<u>SH</u>	Contr. Asst.	Inspec- tions	<u>SH</u>	Contr. Asst.
BYP	RODUCT MATERIAL		From	To	From	To	From	To	From To						
ð	Licenses for possession and use of byproduct material issued pursuant to Parts 30 and 33 of this chapter for process- ing or manufacturing of items containing byprod- uct material for commer- cial distribution.	Routine Non- Routine (All Other)							•						
в.	Licenses issued pursuant to §§ 32.72, 32.73 and 32.74 of this chapter authorizing the process- ing or manufacturing and distribution of radio- pharmaceuticals, generators or reagents kits, and sources and devices, containing byproduct material.	Routine Non- Routine (A11 Other)				•									
c.	Licenses for byproduct material issued pursuant to Part 34 of this chapter for industrial radiography operations at one location.	Routine Non- Routine (All Other)													
D.	Licenses for byproduct material issued pursuant to Part 34 of this chapter for industrial radiography operations at more than one location.	Routine Non- Routine (All Other)													

INFORMATION FOR LICENSE FEES

				PROFESSIONAL PROCESSING TIME			PROJECTED FY 82 RESOURCE COMMITMENT					
			SAFETY	& ENVIR.	. SAFI	EGUARDS	No. of	SAFETY & E	NVIR.	No. of	AFEGUARDS	
RESENT FEE CATEGORIES			SH From To	Contr. Asst. From To	SH From To	Contr. Asst. From To	Inspec- tions	<u>SH</u>	Contr. Asst.	Inspec- tions	<u>SH</u>	Contr. Asst.
0	icenses for possession ind use of byproduct material in sealed ources for irradiation if materials where the ource is not removed from its shield (self- hielded units).	Routine Non- Routine (All Other)										
a	icenses for possession nd use of byproduct aterial in sealed ources for irradiation	Routine Non-										

sources for irradiation of materials where the Routine (All source is exposed for Other) irradiation purposes. ()Licenses issued pursuant Routine to Subpart B of Part 32 of this chapter to distrib-Nonute items containing by-Routine product material or (411 . quantities of byproduct Other) material to persons generally licensed under Parts 31 and 35 of this chapter, except specific licenses authorizing

redistribution of items which have been manufactured or imported under a specific license and

licensed by the Commission

OFFICE OF INSPECTION AND ENFORCEMENT INFORMATION FOR LICENSE FEES

PROFESSIONAL PROCESSING TIME

PROJECTED FY 82 RESOURCE COMMITMENT

	SAFET	Y & ENVIR.	. SAFE	EGUARDS .	No. of	SAFETY & E	INVIR.	No. of	AFEGUARDS	
ESENT FEE CATEGORIES	SH	Contr. Asst.	SH	Contr. Asst.	Inspec- tions	SH	Contr. Asst.	Inspec- tions	SH	Contr. Asst.
BYPRODUCT MATERIAL - CON'T	From To	From To	From To	From To						

for distribution to persons generally licensed under Parts 31 or 35 of this chapter.

H. Licenses issued pursuant Routine to Subpart A of Part 32 of this chapter to cistribute Nonitems containing byproduct Routine material or quantities of (All byproduct material to Other) persons exempt from the licensing requirements of Part 30 of this chapter, except (1) 55 32.11 and 32.18 of this chapter, (2) specific licenses C authorizing redistribution of items and quantities which have been manufactured or imported under a specific license and licensed by the Commission for distribution to persons exempt from the licensing requirements of Part 30 of this chapter, and (3) specific licenses which authorize distribution of timepieces, hands and dials.

INFORMATION FOR LICENSE FEES

PROJECTED FY 82 RESOURCE COMMITMENT PROFESSIONAL PROCESSING TIME SAFEGUARDS SAFEGUARDS SAFETY & ENVIR . SAFETY & ENVIR. No. of No. of Contr. Contr. Inspec-Contr. Inspec-Contr. tions SH Asst. tions SK Asst. SH Asst. SH Asst. From To From To From From To To

RESENT FEE CATEGORIES

BYPRODUCT MATERIAL - CON'T

I. Licenses issued pursuant O to \$ 32.18 of this chapter to distribute quantities of byproduct material to persons ing requirements of Part 30 of this chapter. Routine Non-Routine (All Other)

J. Licenses issued pursuant to § 32.14 of this chapter to distribute timepieces, hands and dials, containing hydrogen 3 or promethium 147 to persons exempt from the licensing require-

O ments of Part 30 of this chapter.

K. Licenses for possession and use of byproduct material for research and development, except those licenses covered by (All Categories 3A or 3B, and Other) licenses covered by Categories /B or 7C authorizing medical research.

INFORMATION FOR LICENSE FEES

PROFESSIONAL PROCESSING TIME

PROJECTED FY 82 RESOURCE COMMITMENT

	SAFETY & ENVIR.	• SAFEGUARDS	No. of	No. of
PRESENT FEE CATEGORIES	SH Asst.	SH Asst.	Inspec- tions SH Asst.	Inspec- tions SH Asst.
	From To From To	From To From To		

3. BYPRODUCT MATERIAL - CON'T

CL. All other specific byproduct material licenses, except those in Categories 4A through 10B. (All Other)

4. WASTE DISPOSAL

Routine B. Waste disposal licenses specifically authorizing Nonthe receipt of waste Routine byproduct material, source material, or (A11 special nuclear material Other) from other persons for the purpose of packaging the material. The licensee will dispose of the material by transfer to another person authorized to receive or dispose

of the material.

C. Waste disposal licenses Routine specifically authorizing the receipt of <u>prepackaged</u> Nonwaste byproduct material, Routine source material, or special (All nuclear material from other Other) persons. The licensea will dispose of the material by transfer to another person authorized to receive or

INFORMATION FOR LICENSE FEES

	PROFESSION	AL PROCESSING TIME	PROJECTED FY 82 RESOURCE COMMITMENT				
	SAFETY & ENVIR.	SAFEGUARDS	No. of	SAFEGUARDS			
SENT FEE CATEGORIES	SH Contr. From To From To	SH Contr. From To From To	Inspec- Co	ntr. Inspec- Contr. isst. tions SH As <t.< th=""></t.<>			

. WELL LOGGING AND WELL SURVEYS AND TRACER STUDIES

 Licenses for possession Routine and use of specific nuclear material and/or byproduct Nonmaterial for well logging, Routine well surveys, and tracer (All studies. Other)

. NUCLEAR LAUNDRIES

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Α.	Licenses for commercial collection and laundry of	Routine
	items contaminated with byproduct material,	Non- Routine
	source material, or special nuclear material.	(All Other)

- CATERIAL, SOURCE MATERIAL, OR SPECIAL NUCLEAR MATERIAL
 - A. Licenses issued pursuant to Parts 30, 40, and 70 of this chapter for human use of byproduct material, Routine source material, or special (All nuclear material in sealed sources contained in teletherapy devices.

INFORMATION FOR LICENSE FEES

			PROFESSION	AL PROCESSING	TIME		PROJECTED	FY 82 RESOL	RCE COMMITMEN	π
		SAFETY	& ENVIR.	SAF	EGUARDS		SAFETY & E	KVIR.		FEGUARDS
ESENT FEE CATEGORIES		SH	Contr. Asst.	SH	Contr. Asst.	No. of Inspec- tions	SH	Contr. Asst.	No. of Inspec- tions	SH Asst
HUMAN USE OF BYPRODUCT MATERIAL, SOURCE MATERIAL, OF SPECIAL NUCLEAR MATERIAL		From To	From To	From To	From To					
C. Licenses issued pursuant to Parts 30, 40, and 70 of this chapter to medical institutions, or two or more physicians or a single license, for human use of byproduct material, source material or special nuclear materi except licenses in Category 7A.	Other)									
 C. Licenses issued pursuant to Parts 30, 40, and 70 of this chapter to an individual physician for human use of byproduct material, source material or special nuclear material, except licenses in Category 7A. 										
CIVIL DEFENSE										
A. Licenses for possession and use of byproduct material, source material or special nuclear material for civil defens activities.	Routine									

INFORMATION FOR LICENSE FEES

PROJECTED FY 82 RESOURCE COMMITMENT PROFESSIONAL PROCESSING TIME SAFEGUARDS SAFEGUARDS SAFETY & ENVIR. SAFETY & ENVIR. No. of No. of Contr. Contr. Contr. Inspec-Contr. Inspec-Asst. tions SH Asst. SH Asst. Asst. tions SH RESENT FEE CATEGORIES SH To From To From From To From To

. DEVICE, PRODUCT, OR SEALED SOURCE SAFETY EVALUATION

Safety evaluation of devices or products containing byproduct material, source material, or special nuclear material, except reactor fuel devices and devices or products distributed to general licensees or persons exempt from the requirements for a license pursuant to Parts 30, 40, and 70 of this chapter-

B. Safety evaluation of Routine sealed sources containing byproduct material, source Nonmaterial, or special Routine nuclear material except (A11 reactor fuel and sealed Other) sources distributed to general licensees or persons exempt from the requirements for a license pursuant to Parts 30, 40, and 70 of this chapter.

Routine Non-Routine (A11 Other)

INFORMATION FOR LICENSE FEES

PROFESSIONAL PROCESSING TIME

PROJECTED FY 82 RESOURCE COMMITMENT

	SAFETY & ENVIR.	SAFEGUARDS	SAFETY & ENVIR.	SAFEGUARDS		
GORIES	SH Contr.	SH Contr.	No. of	No. of		
	SH Asst.	<u>SH</u> Asst.	Inspec-	Inspec- Contr.		
	From To From To	<u>From To</u> <u>From To</u>	tions <u>SH</u> <u>Asst.</u>	tions SH Asst.		

PRESENT FEE CATEGORIES

10. POWER SOURCE

A. Licenses for the manufacture and distribution of encapsulated byproduct Nonmaterial or special Routine nuclear material for use (All in power generation, Other) except reactor fuel.

UNITED STATES JCLEAR REGULATORY COMMISSION ACTION ZADM/IE/NMSS WASHINGTON, D.C. 20555 Cys: Dircks Cornell November 4, 1981 Rehm Stello OFFICE OF THE WMiller SECRETARY Barry Burda MEMORANDUM FOR: William J. Dircks, Executive Director for Operations Shapar Samuel J. Chilk, Secretary FROM: SUBJECT:

STAFF REQUIREMENTS - DISCUSSION OF PART 170--NEW FEE SCHEDULE BASED ON REEXAMINATION OF MANPOWER ESTIMATES, 2:05 P.M., MONDAY, NOVEMBER 2, 1987, COMMISSIONERS' CONFERENCE ROOM, D.C. OFFICE (OPEN TO PUBLIC ATTENDANCE)

The Commission discussed with staff the proposed revisions to Part 170 fee schedules as stated in SECY-81-615. Staff stated that fees for radioisotopes licenses (small programs covered by Parts 30, 40, and 70) and for inspection of these programs have not been revised. NMSS and IE do not presently use the actual cost method for determining the costs incurred in processing new applications, amendments or renewals or conducting inspections for these licenses because professional staff time expended for these reviews is not charged to specific applicants or licensees. Rather, it is charged to a broad category of license, e.g., medical institutions.

The Commission requested that:

- 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. (ADMIN/IE/NMSS) (SECY Suspense: 2/26/82)
- the professional rate be recalculated based on actual FY 1981 costs rather than on FY 1977 costs modified by inflation factors and salary increases. (ADMIN) (SECY Suspense: 11/13/81)
- 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. (ADMIN/IE) (SECY Suspense: 11/13/81)
- 4. staff explain the basis for the policy decision whereby licenses issued to Federal, state and local governments and to nonprofit education institutions are exempted from fees. An estimate of the funds involved is to be included. (ADMIN) (SECY Suspense: 11/13/81)

cc: Chairman Palladino Commissioner Gilinsky Commissioner Bradford Commissioner Ahearne Commissioner Roberts General Counsel Public Document Room

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