

January 8, 1982

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

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 average 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 average costs to actual 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, 1981, indicates that in FY 1982, IE plans to expend 11.9 professional staff years (\$1.1 million) 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 81-615 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).

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, 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

Daniel J. Donoghue, Director
Office of Administration

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)

OFFICE	LFMB:ADM	LFMB:ADM	ADM	ADM		
SURNAME	CJHolloway	WOMiller	PNorry	DJDonoghue		
DATE	1/5/82 vmi	1/11/82	1/8/82	1/8/82		

OFFICE OF INSPECTION AND ENFORCEMENT

INFORMATION FOR LICENSE FEES

PROFESSIONAL PROCESSING TIME

PROJECTED FY 82 RESOURCE COMMITMENT

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
Non-Routine (All Other)

J. All other special nuclear material licenses, except licenses authorizing special nuclear material in unsealed form in combination 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 Category 10. Routine
Non-Routine (All Other)

2. SOURCE MATERIAL

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

<u>SAFETY & ENVIR.</u>		<u>SAFEGUARDS</u>	
<u>SH 1/</u>		<u>SH 1/</u>	
<u>Contr. Asst.</u>		<u>Contr. Asst.</u>	
<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>

<u>SAFETY & ENVIR.</u>		<u>SAFEGUARDS</u>	
<u>SH 1/</u>		<u>SH 1/</u>	
<u>Contr. Asst.</u>		<u>Contr. Asst.</u>	
<u>No. of Inspec.</u>	<u>No. of Inspec.</u>	<u>No. of Inspec.</u>	<u>No. of Inspec.</u>

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

OFFICE OF INSPECTION AND ENFORCEMENT

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PROJECTED FY 82 RESOURCE COMMITMENT

LICENSE FEE CATEGORIES

BYPRODUCT MATERIAL

- A. Licenses for possession and use of byproduct material issued pursuant to Parts 30 and 33 of this chapter for processing or manufacturing of items containing byproduct material for commercial distribution. Routine
Non-Routine (All Other)
- B. Licenses issued pursuant to §§ 32.72, 32.73 and 32.74 of this chapter authorizing the processing or manufacturing and distribution of radiopharmaceuticals, generators or reagents kits, and sources and devices, containing byproduct material. Routine
Non-Routine (All 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)

	<u>SAFETY & ENVIR.</u>				<u>SAFEGUARDS</u>				<u>No. of Inspections</u>	<u>SAFETY & ENVIR.</u>		<u>SAFEGUARDS</u>	
	<u>SH</u>		<u>Contr. Asst.</u>		<u>SH</u>		<u>Contr. Asst.</u>			<u>SH</u>	<u>Contr. Asst.</u>		
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>					

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PROJECTED FY 82 RESOURCE COMMITMENT

ESSENT FEE CATEGORIES

<u>SAFETY & ENVIR.</u>				<u>SAFEGUARDS</u>				<u>SAFETY & ENVIR.</u>			<u>SAFEGUARDS</u>	
<u>SH</u>		<u>Contr. Asst.</u>		<u>SH</u>		<u>Contr. Asst.</u>		<u>No. of Inspections</u>	<u>SH</u>		<u>Contr. Asst.</u>	
<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		<u>No. of Inspections</u>	<u>SH</u>	<u>Contr. Asst.</u>	

BYPRODUCT MATERIAL - CON'T

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

H. Licenses issued pursuant to Subpart A of Part 32 of this chapter to distribute items containing byproduct material or quantities of byproduct material to persons exempt from the licensing requirements of Part 30 of this chapter, except (1) §§ 32.11 and 32.18 of this chapter, (2) specific licenses 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.

Routine
Non-Routine
(All Other)

OFFICE OF INSPECTION AND ENFORCEMENT

INFORMATION FOR LICENSE FEES

PROFESSIONAL PROCESSING TIME

PROJECTED FY 82 RESOURCE COMMITMENT

PRESENT FEE CATEGORIES

BYPRODUCT MATERIAL - CON'T

- | | |
|--|--|
| <p>I. Licenses issued pursuant to § 32.18 of this chapter to distribute quantities of byproduct material to persons exempt from the licensing requirements of Part 30 of this chapter.</p> | <p>Routine
Non-Routine (All Other)</p> |
| <p>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 requirements of Part 30 of this chapter.</p> | <p>Routine
Non-Routine (All Other)</p> |
| <p>K. Licenses for possession and use of byproduct material for research and development, except those licenses covered by Categories 3A or 3B, and licenses covered by Categories 1B or 7C authorizing medical research.</p> | <p>Routine
Non-Routine (All Other)</p> |

<u>SAFETY & ENVIR.</u>		<u>CONTR. ASST.</u>	
<u>SH</u>	<u>From To</u>	<u>From To</u>	<u>From To</u>

<u>SAFEGUARDS</u>		<u>CONTR. ASST.</u>	
<u>SH</u>	<u>From To</u>	<u>From To</u>	<u>From To</u>

<u>No. of Inspections</u>	<u>SAFETY & ENVIR.</u>		<u>CONTR. ASST.</u>	
	<u>SH</u>	<u>From To</u>	<u>From To</u>	<u>From To</u>

<u>No. of Inspections</u>	<u>SAFEGUARDS</u>		<u>CONTR. ASST.</u>	
	<u>SH</u>	<u>From To</u>	<u>From To</u>	<u>From To</u>

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PRESENT FEE CATEGORIES

	<u>SAFETY & ENVIR.</u>				<u>SAFEGUARDS</u>				<u>No. of Inspections</u>	<u>SAFETY & ENVIR.</u>		<u>SAFEGUARDS</u>		
	<u>SH</u>		<u>Contr. Asst.</u>		<u>SH</u>		<u>Contr. Asst.</u>			<u>SH</u>	<u>Contr. Asst.</u>	<u>No. of Inspections</u>	<u>SH</u>	<u>Contr. Asst.</u>
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>						

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-

Routine

Non-Routine (All Other)

- B. Safety evaluation of sealed sources containing byproduct material, source material, or special nuclear material except reactor fuel and sealed 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 (All Other)

OFFICE OF INSPECTION AND ENFORCEMENT

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PRESENT FEE CATEGORIES

10. POWER SOURCE

- A. Licenses for the manufacture and distribution of encapsulated byproduct material or special nuclear material for use in power generation, except reactor fuel.

Routine
Non-Routine
(All Other)

<u>SAFETY & ENVIR.</u>		<u>SAFEGUARDS</u>		<u>No. of Inspections</u>	<u>SAFETY & ENVIR.</u>		<u>SAFEGUARDS</u>	
<u>SH</u>	<u>Contr. Asst.</u>	<u>SH</u>	<u>Contr. Asst.</u>		<u>SH</u>	<u>Contr. Asst.</u>	<u>SH</u>	<u>Contr. Asst.</u>
<u>From To</u>	<u>From To</u>	<u>From To</u>	<u>From To</u>					



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

ACTION ADM/IE/NMSS

Cys: Dircks
 Cornell
 Rehm
 Stello
 WMiller
 Barry
 Burda
 Shapar

November 4, 1981

OFFICE OF THE
 SECRETARY

MEMORANDUM FOR: William J. Dircks, Executive Director for Operations
 FROM: Samuel J. Chilk, Secretary *[Signature]*
 SUBJECT: STAFF REQUIREMENTS - DISCUSSION OF PART 170--NEW FEE
 SCHEDULE BASED ON REEXAMINATION OF MANPOWER ESTIMATES,
 2:05 P.M., MONDAY, NOVEMBER 2, 1981, 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:

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. (ADMIN/IE/NMSS) (SECY Suspense: 2/26/82)
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. (ADMIN) (SECY Suspense: 11/13/81)
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. (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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 Time 1:20

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