

October 5, 1981

MEMORANDUM FOR: William J. Dircks, Executive Director of Operations  
FROM: Daniel J. Donoghue, Director, Office of Administration  
SUBJECT: PROPOSED REVISED LICENSE FEE RULE

Enclosed is the subject proposed notice of rule making which would amend the Commission's fee policy and schedules.

NRR, NMSS, IE, ELD, DRR, ACRS, ASLAP and ASLBP were asked to comment on a draft of the proposed rule. NRR, NMSS, IE, ELD, ASLAP and DRR responded. All of the comments were accommodated except as follows:

NRR:

1. Recover costs of service provided to other government agencies such as ELD and DRR. The Independent Offices Appropriation Act of 1952 does not contemplate recovery of costs from Government agencies. Likewise, the Atomic Energy Act of 1954, as amended, contains authority for recovery of costs incurred in servicing TVA only. This authority was provided for in an amendment to the Act at NRC request.
2. Provide for annual adjustment of professional Staff Rate.

UAD has been consulted with this subject matter. UAD has worthwhile suggestions and we plan to develop this proposal in the near future. UAD made the same recommendation.

IE:

1. Recover inspector's travel time to and from the inspection site.

We have not factored the inspector's travel to and from the inspection site into fees. Presently, we do not have a system which allocates travel time between licensees who may be inspected during a trip by an inspector. For example, during a week of inspection an inspector may visit several licensees and a system would be required to divide the travel time on a fair and equitable basis.

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PDR FOIA  
KNOWLES82-607 PDR

October 5, 1981

William J. Dircks

-2-

This paper has not been recirculated for concurrence due to time limitations.

ORIGINAL SIGNED BY  
Daniel J. Donoghue  
Daniel J. Donoghue, Director  
Office of Administration

Enclosure:  
As Stated Above

- cc: P. Denton, NCS
- V. Steilo, IE
- J. Davis, MISS
- H. Shanon, FIM
- R. Fraley, ARS
- A. Rosenthal, ASLAP
- P. Cotter, ASLEP

DISTRIBUTION:

DJDonoghue, ADM

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DATE	10/5/81	10/ /81	10/6/81				



MAR 04 1977

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 William 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 15, 1976, relating to FCC license fees and guidance provided by the Office of General Counsel, dated February 7, 1977.

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.

Financial and Management Audit - This office is responsible for developing policies and standards that govern the financial and management audit program. Its objective is to provide the Commission 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.

ENCLOSURE 1

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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.
6. 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 of international regulatory and State agreements with other countries, licensing the export of nuclear materials and facilities, as well as nonproliferation and inter-~~  
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 General Counsel of the Supreme Court, as cited 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. (1) it provides an independent public benefit (e.g., research, standards, generic activities) (2) it performs a function relevant to NAC as an agency or 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.

*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

*R. L. Evans*  
Office of the General  
Counsel

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 NRC 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;
3. 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 have been identified as the direct concern of the NRC and IE. These are:

1. The need to re-energize 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 non-equilibrium pressurizer behavior when normal spray flow is unavailable; and
5. 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.

ENCLOSURE 2

Fee Category	Federal Agencies	State/Local Agencies	New Prof Educational Institutions *	Others **	Totals
A	-0-	-0-	-0-	-0-	-0-
D	1	-0-	2	-0-	3
E	2	-0-	2	-0-	4
F	1	-0-	1	-0-	2
G	-0-	-0-	2	-0-	2
H	-0-	-0-	-0-	-0-	-0-
I	6	2	5	1	14
J	40	4	153	26 { individuals, pacemaker and incident to operation of facility	223
K	1 (TVA)	-0-	-0-	-0-	1
L-2C	-0-	-0-	-0-	-0-	-0-
M	73	4	47	27 { hospitals with shielding in agreement and provide collection source material	151
N	1 (Army)	-0-	1 (Univ of Minnesota)	-0-	2
O	-0-	-0-	-0-	-0-	-0-
P	15	-0-	-0-	-0-	15
Q	35	1	-0-	-0-	36
R	26	3	105	1	135
S	18	-0-	23	-0-	41
T	1	-0-	-0-	-0-	1
U-3J	-0-	-0-	-0-	-0-	-0-
V	125	18	205	5	353
W	382	361	100	26 { incidental to operation of reactor	869
X	-0-	-0-	-0-	-0-	-0-
Y	1 (Army)	-0-	-0-	-0-	1
Z	-0-	-0-	-0-	-0-	-0-
AA	13 (TVA Army)	1	1 (Univ of Montana)	-0-	15
AB	-0-	-0-	-0-	-0-	-0-
AC	31	42	-0-	-0-	73
AD	190	255	-0-	68 { Hospital - Accredited where hospital has a nuclear license	513
AE	-0-	-0-	-0-	-0-	-0-
AF	11	62	6	1	80
AG	973 170.11(a)(5)	753 170.11(a)(9)	653 170.11(a)(2)	155	2,534

At least 50% of the fee-exempt licenses issued to educational institutions also qualify for the exemption for State and local agencies in §170.11(a)(9).

These "Other" exempt licenses are issued to individuals, power reactor facilities, and other non-Government/academic facilities. (170.11(a)(5), 170.11(a)(9))

<u>Fee Categories</u>	<u>Licenses Subject to Fees</u>	<u>Licenses Exempt From Fees</u>	<u>% Subject To Fees</u>
1C	50	15 65	72%
1D	53	225 778	15%
2B	10 <sup>1/</sup>	?? 10	100%
2C	124	155 279	44%
3A	27	0 27	100
3B	155	0 155	100
3C	30	0 30	100
3D	18 <sup>10-11-12-13-14-15-16-17-18</sup>	0 28	100
3E	60	135 195	131
3F	4 <sup>2/</sup>	19 23	29% 17
3G	8	22 30	27
3H	100 <sup>2/</sup>	0 100	100%
3I	100 <sup>2/</sup>	0 100	100
3J	34 <sup>3/</sup>	1 35	97
3K	34 <sup>3/</sup>	0 34	100
3L	85	70 155	55
3M	270	280 550	49
3N	20 <sup>4/</sup>	?? 20	100
3O	305	50 355	86
3P	2,597	870 3507	76
4B	1	1 2	50
4C	14	0 14	100
4D	??	??	
5A	130	15 145	90
5B	7 <sup>5/</sup>	? <sup>5/</sup> 7	100
6A	4	0 4	100
7A	320	73 393	81
7B	<del>60</del> 75	<del>25</del> 100 <sup>6/</sup>	75
7C	1,600 <sup>1585</sup>	<del>485</del> 2070	77
8A	1	80 81	1%
	<u>6,321</u> <sup>10-11-12-13-14-15-16-17-18</sup>	<u>2,521</u> <sup>5352</sup>	<u>77%</u>



Footnote explanations:

- 1/ No way to determine number of licenses; rough guesstimate only.
- 2/ Proposed fee categories 3H and 3I combine 3H, 3I and 3J of current schedule. No way to determine how many licenses require device review or non-device review, so I just divided the total licenses (200) equally among the two categories.
- 3/ Total of 68 -G licenses were divided equally among 3J/3K.
- 4/ Assuming that there are about 20 licenses in this category; no way to make determination if any would be exempt.
- 5/ Rough guesstimate only. Don't know if any would be exempt from fees
- 6/ Of the 100 broad licenses, I'm assuming that about 40 would be exempt from fees.

Fee Category	Federal Agencies	State/Local Agencies	Number of Educational Institutions *	Others **	Totals
	-0-	-0-	-0-	-0-	-0-
	1	-0-	2	-0-	3
	2	-0-	2	-0-	4
	1	-0-	1	-0-	2
	-0-	-0-	2	-0-	2
	-0-	-0-	-0-	-0-	-0-
	6	2	5	1	14
	40	4	153	26 { INDIVIDUALS, PALLETTAGE, AND INCIDENTALS TO operation of facility }	223
	1 (TVA)	-0-	-0-	-0-	1
-2C	-0-	-0-	-0-	-0-	-0-
	73	4	47	27 { Hospitals with shielding in equipment and quarterly collection of material }	151
	1 (ARMY)	-0-	1 (Univ of Minnesota)	-0-	2
	-0-	-0-	-0-	-0-	-0-
	15	-0-	-0-	-0-	15
	35	1	-0-	-0-	36
	26	3	105	1	135
	18	-0-	23	-0-	41
	1	-0-	-0-	-0-	1
-3.1	-0-	-0-	-0-	-0-	-0-
	125	18	205	5	353
	382	361	100	26 { incidental to operation of reactor }	369
	-0-	-0-	-0-	-0-	-0-
	1 (ARMY)	-0-	-0-	-0-	1
	-0-	-0-	-0-	-0-	-0-
	13 (TVA Army)	1	1 (Univ of Montana)	-0-	15
	-0-	-0-	-0-	-0-	-0-
	31	42	-0-	-0-	73
	190	255	-0-	68 { Hospital - Arcadia where hospital has a nuclear license }	513
	-0-	-0-	-0-	-0-	-0-
	11	62	6	1	80
S:	973 170.11(a)(5)	753 170.11(a)(5)	653 170.11(a)(5)	155	2,534

least 50% of the fee-exempt licenses issued to educational institutions also qualify for exemption for State and local agencies in §170.11(a)(9).  
 These "Other" exempt licenses are issued to individuals, power reactor facilities, and other non-Government/academic facilities. (170.11(a)(5))



UNITED STATES  
 FEDERAL COMMUNICATIONS COMMISSION  
 FEDERAL BUREAU OF INVESTIGATION  
 EAR REGULATORY COMMISSION  
 WASHINGTON, D. C. 20555  
 NOV 2 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 on the "low" was one hour (TAC 11632) spent on a non-iterative type change in fee class I and the most amount of time expended on 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 \$2,000 and TAC 42090 for \$2,800.

used in the staff paper proposing to revise the fee schedule, and the 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.

*C. James Holloway, Jr.*  
 C. James Holloway, Jr., Assistant Chief  
 License Fee Management Branch  
 Office of Administration


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 A. 2

List of Materials Licenses by Fee Category

<u>Fee Category</u>	<u>Licenses Subject to Fees</u>	<u>Licenses Exempt from Fees</u>	<u>Total Licenses In Category</u>
1A	6	0	6
1B	7	0	7
1C	0	0	0
1D	6	2	8
1E	4	4	8
1F	3	2	5
1G	9	2	11
1H	1	0	1
1I	50	14	64
1J	53	220	273
2A	15	0	15
2B	22	0	22
2C	2	0	2
2D	114	153	267
3A	132	2	134
3B	48	0	48
3C	109	14	123
3D	194	14	208
3E	59	132	191
3F	12	40	52
3G	68	1	69
3H	107	0	107
3I	51	1	52
3J	42	0	42
3K	355	351	706
3L	2,717	865	3,582
4A	1	0	1
4B	0	0	0
4C	14	0	14
5A	137	16	153
6A	4	0	4
7A	320	73	393
7B	1,466	512	1,978
7C	193	0	193
8A	1	80	81
Totals	6,392	2,518	8,910*

\*Approximately 100 single licenses have more than one fee category assigned; therefore, the 8,910 represents the number of fee categories assigned rather than the number of licenses.

  
 Allen S. Cabell  
 2/8/82

3/5/02

RESEARCH REACTORS AT NON-PROFIT EDUCATIONAL INSTITUTIONS

A. Operating

	<u>Licensee</u>	<u>Docket No.</u>	<u>Power Level</u>
1.	Brigham Young University	50-262	10 Watts
2.	Catholic University of America	50-77	0.1 Watt
3.	Columbia University in the City of New York	50-208	250 KW
4.	Cornell University	50-97	100 Watts
5.	Cornell University	50-157	100 Kw
6.	Georgia Institute of Technology	50-276	0.1 Watt
7.	Georgia Institute of Technology	50-160	5 Mw
8.	Idaho State University	50-284	0.1 Watt
9.	Iowa State University	50-116	10 Kw
10.	Kansas State University	50-188	250 Kw
11.	Manhattan College	50-199	0.1 Watt
12.	Massachusetts Institute of Technology	50-20	5000 Kw
13.	Memphis State University	50-538	0.1 Watt
14.	Michigan State University	50-294	250 Kw
15.	North Carolina State University	50-297	1000 Kw
16.	Ohio State University	50-150	10 Kw
17.	Oregon State University	50-243	1000 Kw
18.	Pennsylvania State University	50-5	1000 Kw
19.	Purdue University	50-182	10 Kw
20.	Reed Institute	50-288	250 Kw
21.	Rhode Island & Providence Plantations AEC	50-193	2000 Kw
22.	State University of New York	50-57	2000 Kw
23.	Texas A & M University	50-128	1000 Kw
24.	Texas A & M University	50-59	5 Watts
25.	Tuskegee Institute	50-406	0.1 Watt
26.	University of Arizona	50-113	100 Kw
27.	University of California	50-142	100 Kw
28.	University of California	50-224	1000 Kw
29.	University of California	50-326	250 Kw
30.	University of California	50-433	10 Watts

RESEARCH REACTORS AT NON-PROFIT EDUCATIONAL INSTITUTIONS  
(Con't.)

A. Operating (con't.)

<u>Licensee</u>	<u>Docket No.</u>	<u>Power Level</u>
31. University of Delaware	50-98	0.1 Watt
32. University of Florida	50-83	100 Kw
33. University of Illinois	50-151	1500 Kw
34. University of Illinois	50-356	10 Kw
35. University of Kansas	50-148	250 Kw
36. University of Lowell	50-223	1000 Kw
37. University of Maryland	50-166	250 Kw
38. University of Michigan	50-2	2000 Kw
39. University of Missouri	50-123	200 Kw
40. University of Missouri	50-186	10 Mwt
41. University of New Mexico	50-252	5 Watts
42. University of Oklahoma	50-112	15 Watts
43. University of Texas	50-192	250 Kw
44. University of Utah	50-72	5 Watts
45. University of Utah	50-407	100 Kw
46. University of Virginia	50-62	2000 Kw
47. University of Virginia	50-396	100 Watts
48. University of Washington	50-139	100 Kw
49. University of Wisconsin	50-156	1000 Kw
50. Virginia Polytechnic Institute	50-124	100 Kw
51. Washington State University	50-27	1000 Kw
52. Worcester Polytechnic Institute	50-134	10 Kw
53. Rensselaer Polytechnic Institute	50-225	(Critical Experiment Facility)

B. Non-Operating

1. California State Polytechnic College <sup>1/</sup>	50-394	0.1 Watt
2. North Carolina State University <sup>1/</sup>	50-111	10 Kw
3. Stanford University <sup>2/</sup>	50-141	10 Kw
4. West Virginia University <sup>1/</sup>	50-129	75 Watts

Construction Permit In Effect

<u>Licensee</u>	<u>Docket No.</u>	<u>Power Level</u>
1. Mississippi State University <sup>3/</sup>	50-241	100 Watts

There are no applications pending for CP's and OL's for educational institutions.

In FY 1981, 39 applications for amendments from educational institutions were exempted from fees, resulting in a revenue loss of nearly \$83,000. If we assume that each of the reactors was inspected in FY81, it would result in a revenue loss of \$225,000 (53 inspections @ \$4,200 plus 4 inspections @ \$650).

1/ - Dismantling order issued.

2/ - Possession Only.

3/ - CP authorizes receipt, possession and storage only.