



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20565

June 21, 1991

The Honorable Jake Garn
United States Senate
Washington, D.C. 20510

Dear Senator Garn:

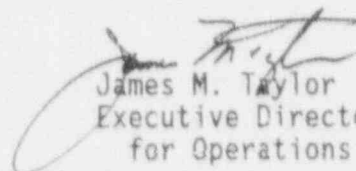
I am responding to your June 6, 1991, letter concerning issues raised by your constituents, Mr. N. Wayne Hansen and Mr. Douglas R. Johnston, of Met-Chem Testing Laboratories, of Utah, Incorporated. Your constituents' letter concerns the proposed revisions to the Nuclear Regulatory Commission's license and annual fees charged to licensees to possess and use radioactive material.

Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990, requires that the Commission recover 100 percent of its budget authority, less appropriations from the Nuclear Waste Fund, for Fiscal Years 1991 through 1995 by assessing license and annual fees. For FY 1991, the Commission must collect approximately \$445 million by September 30, 1991, through these fees.

In order to comply with the law, the Commission published proposed revisions to its fee regulations in the Federal Register (FR Vol. 56, No. 71) on April 12, 1991. The Commission sent copies of the proposed revisions directly to licensees seeking their comments. The comment period ended on May 13, 1991, and the NRC has evaluated over 400 comments received, including the concerns raised by your constituents. Based on the evaluation of comments, the Commission will modify the proposed rule, as appropriate, and issue a final rule by early August 1991.

If I can be of further assistance, please let me know.

Sincerely,


James M. Taylor
Executive Director
for Operations

9107220222 910621
PDR ORG NE ED
PDR

ccs
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E. J. (JAKE) GARN
UTAH
505 DIRKSEN SENATE OFFICE BUILDING
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United States Senate

WASHINGTON, D.C. 20510

June 6, 1991

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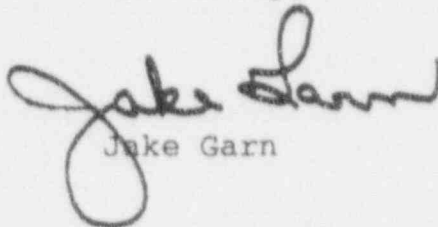
Mr. Lando W. Zech, Jr.
Chairman
Nuclear Regulatory Commission
1717 H Street NW
Washington, D.C. 20555

Dear Mr. Zech:

Enclosed, please find a copy of a letter I received from N. Wayne Hansen and Douglas Johnston, officials at Met-Chem Testing of Salt Lake City, Utah, regarding proposed revisions to the Nuclear Regulatory Commission (NRC) license fee regulations. They are concerned these changes will significantly increase costs to the public and reduce their company's profit viability. They are also concerned these increases are coming on the heels of substantial increases in 1990.

Since Met-Chem Testing wishes to comment on proposed regulations, I am forwarding their letter to you for your review and inclusion in the record. I would appreciate it if you would report back to me on the status of these regulations. In your response, please refer to the above named constituent and send it to the attention of Patricia Worthington, a member of my staff I have asked to keep me informed on this matter.

Sincerely,


Jake Garn

JG/pwh
Enclosure

~~9106190028~~ 1p.



MET • CHEM

TESTING LABORATORIES, OF UTAH, INC.
369 W. Gregson Ave. Salt Lake City, Utah 84115-3440 (801) 487-0801

May 10, 1991

Secretary
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Attn: Docketing and Service Branch

Subject: Proposed revisions to the NRC license fee regulations in 10
CFR Parts 170 and 171

These proposed revisions, if the cost is absorbed by our company, would reduce our already small profit by 30% for the 1991 fiscal year without considering the resulting fee increases by the State of Utah and increases passed down by suppliers of nuclear material and related hardware. The increases would result in some radiographic testing companies folding and, as always, increase the costs to the American Public.

Maybe a reduction in profit of 30% does not tell much as there is nothing to relate it to, but Met-Chem would have to pay NRC fees of \$11,500 or more in fiscal year 1991. This is an 835% increase over 1988 and 246% increase over 1990. After over a 110% average increase in fees to radiographic companies in 1990, the proposed 146% increase in fees, which in real terms is a 738% increase in actual annual expenses for radiographic companies, cannot be tolerated.

The example used in the notice of the proposed revisions on page 48 is for a radiography licensee. This example is false and misleading. It is false in it shows the proposed increases to be 25% when they are as shown below:

<u>TYPE</u>	<u>CURRENT FEE</u>	<u>PROPOSED FEE</u>	<u>INCREASE</u>
Application	\$2,400	\$3,000	25%
Renewal	\$1,400	\$1,800	29%
Amendment	\$ 390	\$ 490	26%
Routine Inspection	\$ 920	\$1,200	30%
Non-Routine Inspection	\$2,000	\$2,500	25%

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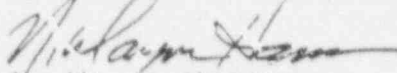
Docketing and Service Branch
Nuclear Regulatory Commission
May 10, 1991
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Misleading because it does not include the proposed annual fees of \$8,500. This appears to be an attempt by those responsible for this document to mislead the industry. Misleading and/or false statements by individuals and companies to the NRC can and, in most cases, will earn the company a stiff fine or worse. Please take measures to correct this internal NRC problem.

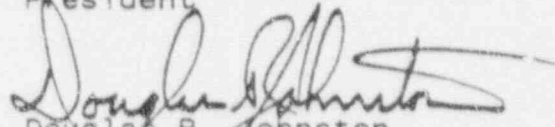
In conclusion, in light of the proposed () outrageous (112% overall) increase, none of the proposals should be implemented.

Sincerely,

MET-CHEM TESTING LABORATORIES



N. Wayne Hansen
President



Douglas R. Johnston
Radiation Safety Officer

DRJ/sh

cc: Jake Garn, U.S. Senate ✓
Orrin Hatch, U.S. Senate
Bob Graham, U.S. Senate
Jim Hansen, U.S. House of Representatives
Wayne Owens, U.S. House of Representatives
Bill Orton, U.S. House of Representatives
John Dingell - U.S. House of Representative