



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

FEB 03 1993

AE49-1

PDR

010

MEMORANDUM FOR: Robert M. Bernero, Director
Office of Nuclear Materials Safety
and Safeguards

FROM: Ronald M. Scroggins
Deputy Chief Financial
Officer/Controller

SUBJECT: BIENNIAL REVIEW OF MATERIALS LICENSING AND INSPECTION FEES

In your memorandum dated January 5, 1993, the Office of Nuclear Materials Safety and Safeguards (NMSS) provided updated data regarding the average hours for licensing and inspection actions. My staff has reviewed the data and has had several telephone conversations with your staff to clarify and validate pertinent issues. For your information, we have reached the following conclusions.

For fee categories where the data reflects less than six hours on the average to conduct inspections, your memorandum proposed that we adjust the data to reflect management judgement of the number of inspection hours required as opposed to relying on estimates based on Regulatory Information Tracking System (RITS) data. Specifically, your memorandum indicated that management considers that six hours is the minimum time required to prepare for, travel to, conduct, and document an inspection.

The data shows that only two fee Categories (2B and 3P) reflect less than six hours on the average to conduct a routine inspection, and the data for fee Category 3P is based on a large sample size. Based on the above and the fact that the actual data is being used in all other cases where there is an adequate sample size, we plan to use the average hours developed from the actual data for fee Categories 2B and 3P rather than six hours in developing the revised fees. The fact that the actual RITS data accounts for multiple inspections conducted during a single inspection trip may explain why in some cases the data reflects average hours that are less than management considers to be the minimum average. In addition, this approach provides for a more auditab?e fee.

NMSS also recommended that fee Categories 1C and 1D be combined. Historically, staffs have agreed that there is basically no difference in the review effort for licenses that cover special nuclear material in sealed sources for use in gauging devices (fee Category 1C) and licenses that cover byproduct material in sealed sources for use in gauging devices (fee Category 3P). Therefore, fee Category 1C has been maintained as a separate special nuclear material fee category, with the same fee amount as fee Category 3P. To further accommodate the similarities of the review of licenses in Categories 1C and 3P, Footnote 1 of 10 CFR 170.31 specifies that applicants for new licenses or renewal of existing licenses that cover both byproduct material and special nuclear material in sealed sources for use in gauging devices will pay the appropriate application or renewal fee for fee Category 1C only.

Based on the above, and the fact that fee Category 1D is applicable to licenses authorizing use of special nuclear material for a variety of purposes, such as research and manufacturing of nuclear-powered pacemakers, we have decided not to combine fee Categories 1C and 1D at this time but rather continue to have the same fee amounts for fee Category 1C and fee Category 3P.

The information provided by NMSS indicates that for most fee categories there were either no non-routine inspections conducted or a very small number of non-routine inspections were completed. We have also been informed by NMSS that the reporting system for inspections will no longer differentiate between routine and non-routine inspections. For these reasons, we will combine 8routine and non-routine inspection fees and have a single fee covering "inspections".

I would like to express my appreciation for the support you and your staff provided while working closely with us in performing the biennial review of the agency's nuclear materials license and inspection fees.

Original signed by
Ronald M. Scroggins
Ronald M. Scroggins
Deputy Chief Financial
Officer/Controller

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RCJ/A: INSFEEES.MEM

CHART 2

AVERAGE HOURS TO COMPLETE FLAT FEE MATERIALS LICENSE INSPECTIONS*

to Holloway 1/11/93
 FROM: NMSS - Seelig
 Combined inspection hours
 (no separate R+NR)
 II

FEE CATEGORY	CURRENT		PROPOSED		NOTES
					AVERAGE INSPECTION HOURS
1C and 1D	R 4.0 NR 12.0	6.0 7.0	8.7 7.0		8.3 1
2B	R NR	2.5 3.0	6.0 6.0		4.2 2 (use) 2 (0)
2C	R NR	7.0 13.0	17.9 13.0		18.9 1
3A	R NR	18.0 19.0	88.7 33.4		73.4
3B	R NR	9.0 17.0	20.6 17.0		22.5 1
3C	R NR	12.0 16.0	24.6 16.0		25.2 1
3D	R NR	7.0 10.0	18.6 10.0		22.9 1
3E	R NR	4.0 6.0	9.1 6.0		9.1 1
3F	R NR	5.0 11.0	10.1 11.0		9.5 1
3G	R NR	9.0 12.0	31.0 27.5		30.8
3H	R NR	6.0 6.0	8.4 6.0		8.3 1
3I	R NR	4.0 6.0	7.9 6.0		7.8 1
3J	R NR	6.0 6.0	13.8 6.0		13.4 1
3K	R NR	6.0 6.0	7.8 6.0		7.3 1
3L	R NR	8.0 10.0	34.6 10.0		35.3 1

R = ROUTINE
 NR = NON-ROUTINE

II for routine and non-routine combined

*SEE NOTES ON PAGE 3

CHART 2

AVERAGE HOURS TO COMPLETE FLAT . . . MATERIALS LICENSE INSPECTIONS*

FEE CATEGORY		CURRENT	PROPOSED	NOTES
3M	R	7.0	17.0	16.4 1
	NR	8.0	8.0	
3N	R	6.0	21.2	18.1 1
	NR	6.0	6.0	
3O	R	10.0	24.0	26.5
	NR	22.0	68.6	
3P	R	10.0	11.9	11.1 2
	NR	10.0	6.0	
4B	R	19.0	17.1	17.1 1
	NR	14.0	14.0	
4C	R	14.0	21.0	21.0 1
	NR	18.0	18.0	
5A	R	7.0	25.0	26.9
	NR	7.0	22.1	
5B	R	6.0	9.9	14.9 1
	NR	9.0	9.0	
6A	R	10.0	34.0	57.0 1
	NR	16.0	16.0	
7A	R	10.0	15.1	17.0
	NR	16.0	61.4	
7B	R	14.0	60.4	69.1 2
	NR	15.0	60.4	
7C	R	9.0	15.1	15.7
	NR	13.0	29.4	
8A	R	6.0	7.9	7.2 1
	NR	6.0	6.0	

R = ROUTINE
NR = NON-ROUTINE

*SEE NOTES ON PAGE 3