

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 2 and 171

[NRC-2014-0264]

RIN 3150-AJ51

Receipts-Based NRC Size Standards

AGENCY: U.S. Nuclear Regulatory Commission.

ACTION: Proposed rule.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is proposing to amend its small business size standards, which are used to qualify an NRC licensee as a “small entity” under the Regulatory Flexibility Act of 1980, as amended (RFA). The purpose of these size standards is for reducing annual NRC license fees for small entities. These standards do not apply to NRC contracting for goods and services. The NRC is proposing to increase the upper and lower tiers for its receipts-based small entity size standards for small businesses and small not-for-profit organizations. This change will allow NRC standards to remain consistent with the inflation adjustments made by the Small Business Administration (SBA) size standard for nonmanufacturing concerns. In addition, in accordance with the Small Business Runway Extension Act of 2018 (Runway Act), the NRC is proposing to change the calculation of annual average receipts for the receipts-based NRC size standard for small businesses that provide a service or small businesses not engaged in manufacturing from a 3-year averaging period to a 5-year averaging period. The public is invited to submit comments on this proposed rule.

DATES: Submit comments **by August 25, 2021**. **Comments** received after this date will be considered if it is practical to do so, but the NRC is only able to ensure consideration for comments received before this date.

ADDRESSES: You may submit comments by any of the following methods:

- **Federal Rulemaking website:** Go to <https://www.regulations.gov> and

search for Docket ID **NRC-2014-0264**. Address questions about NRC dockets to Dawn Forder; telephone: 301-415-3407; e-mail: Dawn.Forder@nrc.gov. For technical questions, contact the individual listed in the FOR FURTHER INFORMATION CONTACT section of this proposed rule.

- **E-mail comments to:** Rulemaking.Comments@nrc.gov. If you do not receive an automatic e-mail reply confirming receipt, then contact us at 301-415-1677.

- **Mail comments to:** Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, ATTN: Rulemakings and Adjudications Staff.

For additional direction on obtaining information and submitting comments, see “Obtaining Information and Submitting Comments” in the SUPPLEMENTARY INFORMATION section of this document.

FOR FURTHER INFORMATION CONTACT: Jo A. Jacobs, Office of the Chief Financial Officer, telephone: 301-415-8388; e-mail: Jo.Jacobs@nrc.gov; or Billy Blaney, Office of the Chief Financial Officer, telephone: 301-415-5092; e-mail: William.Blaney@nrc.gov. Both are staff of the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

SUPPLEMENTARY INFORMATION:

Table of Contents:

I.	Obtaining Information and Submitting Comments
II.	Background
III.	Discussion
IV.	Regulatory Flexibility Certification
V.	Regulatory Analysis
VI.	Backfitting and Issue Finality
VII.	Plain Writing
VIII.	National Environmental Policy Act
IX.	Paperwork Reduction Act Public Protection Notification
X.	Voluntary Consensus Standards
XI.	Availability of Guidance
XII.	Availability of Documents

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID **NRC-2014-0264** when contacting the NRC about the availability of information for this action. You may obtain publicly-available information related to this action by any of the following methods:

- **Federal Rulemaking website:** Go to <https://www.regulations.gov> and search for Docket ID **NRC-2014-0264**.

- **NRC's Agencywide Documents Access and Management System**

(ADAMS): You may obtain publicly-available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209 or 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced (if that document is available in ADAMS) is provided the first time that a document is referenced. For the convenience of the reader, the ADAMS accession numbers are also provided in Section XIII, "Availability of Documents," of this document.

- **Attention:** The PDR, where you may examine and order copies of public documents, is currently closed. You may submit your request to PDR staff via e-mail at pdr.resource@nrc.gov or call 1-800-397-4209 between 8:00 a.m. and 4:00 p.m. (EST), Monday through Friday, except Federal holidays.

B. Submitting Comments

Please include Docket ID **NRC-2014-0264** in the subject line of your comment submission in order to ensure that the NRC is able to make your comment submission publicly available in this docket.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC posts all comment submissions at <https://www.regulations.gov> as well as entering the comment

submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, you should inform those persons not to include identifying or contact information they do not want to be publicly disclosed in their comment submissions. Your request should state the NRC does not routinely edit comment submissions to remove such information before making the comment submissions available to the public or entering the comment submissions into ADAMS.

II. Background

The NRC's current size standards are provided under part 2 of title 10 of the *Code of Federal Regulations* (10 CFR), "Agency Rules of Practice and Procedure," in § 2.810, "NRC size standards," which were established on December 9, 1985, when implementing the requirements of the RFA (50 FR 50241). The RFA requires agencies to consider the impact of rulemaking on small entities and, consistent with applicable statutes, study alternatives to minimize these impacts on applicable businesses, organizations, and government jurisdictions. The NRC's regulations in § 2.810 and 10 CFR part 171, "Annual Fees for Reactor Licenses and Fuel Cycle Licenses and Materials Licenses, Including Holders of Certificates of Compliance, Registrations, and Quality Assurance Program Approvals and Government Agencies Licensed by the NRC," contain the criteria, in § 171.16(a) and (c), "Annual fees: Materials licensees, holders of certificates of compliance, holders of sealed source and device registrations, holders of quality assurance program approvals, and government agencies licensed by the NRC," that certain licensees use to qualify as small entities for the purpose of reducing annual license fees only.

The NRC's current size standards under § 2.810 are based on the SBA's receipts-based size standards for small businesses and small not-for-profit

organizations, employee-based size standards for business concerns that are manufacturing and for small educational institutions that are not State or publicly supported entities, and population-based size standards for small governmental jurisdictions.

In establishing the Fiscal Year (FY) 1991 fee rule, the NRC determined that the annual fees would have a significant impact on a substantial number of small material licensees. As a result, the NRC established a small entity fee tier in § 171.16(c), which resulted in a subsidy program whereby small entities would pay a reduced annual fee (56 FR 31507; July 10, 1991). In FY 1992, the NRC established a second tier in § 171.16(c) to benefit the licensees that were very small entities. Pursuant to § 171.16(c), if a licensee qualifies as a small entity and provides the Commission with the proper certification, the licensee may pay a reduced annual fee. As part of the certification process, a licensee that meets the NRC's size standards for a small entity must complete NRC Form 526, "Certification of Small Entity Status for the Purposes of Annual Fees," certifying that it meets the NRC's size standards for a small entity.

The last revision, an inflationary adjustment, to the receipts-based size standards in §§ 2.810 and 171.16(c) was in a rule published in the *Federal Register* on July 3, 2012 (77 FR 39385) and in the FY 2013 final fee rule published in the *Federal Register* on July 1, 2013 (78 FR 39479), respectively. More recently, in FY 2020, the NRC surveyed its materials licensees to help determine whether to change the size standards in § 2.810 (85 FR 6225; February 4, 2020). With the exception of inflation-related increases and adjusting the methodology for calculating average gross-receipts to be consistent with the Runway Act and SBA regulations, the survey results did not suggest that the NRC should change its small entity size standards.

The Runway Act amended section 3(a)(2)(C)(ii)(II) of the Small Business Act (15 U.S.C. 632(a)(2)(C)(ii)(II)), to modify the requirements for the small business size standards prescribed by an agency without separate statutory authority to issue size standards. Subsequently, on December 5, 2019, the SBA published a final rule

modifying its method for calculating average annual receipts used to prescribe size standards for small businesses (84 FR 66561). As a result, and because of the proposed inflationary adjustments described more fully in the “Discussion” section of this document, the NRC must revise its receipts-based size standards from a 3-year averaging period to a 5-year averaging period to comply with the Runway Act.

In order to amend § 2.810, the NRC must follow the procedures of the Small Business Act, and SBA's implementing regulations in 13 CFR 121.903, “How may an agency use size standards for its programs that are different than those established by SBA?,” because it does not have separate statutory authority to issue size standards.

III. Discussion

The NRC is proposing to amend § 2.810 to increase the receipts-based small entity size standard from \$7.0 million to \$8.0 million for small businesses and small, not-for-profit organizations. These proposed amendments are to remain consistent with inflation adjustments made by the SBA to its size standard for nonmanufacturing concerns. Most recently, the SBA adjusted this standard for inflation on July 18, 2019 (84 FR 34261). In addition, the NRC is also proposing to amend the average gross-receipts calculation process to change from a 3-year averaging period to a 5-year averaging period, as required by SBA regulations and in response to the Runway Act.

Further, and analogous to the proposed inflation adjustment in § 2.810, the NRC is proposing to amend § 171.16(c) to increase the upper tier receipts-based small entity size standard from \$7.0 million to \$8.0 million for small businesses and small, not-for-profit organizations. Likewise, the NRC is proposing to increase the lower tier receipts-based size standard from \$485,000 to \$555,000, based upon the percent change in the upper tier.

IV. Regulatory Flexibility Certification

Under the RFA, the Commission certifies that this proposed rule, if adopted, will not have a significant economic impact on a substantial number of small entities. This proposed rule is administrative in that this proposed rule will revise the criteria in 10 CFR parts 2 and 171 that the NRC uses to determine which of its licensees qualify as small entities for the purposes of compliance with the RFA. The proposed amendments to the size standards conform to the SBA's revised standard and is expected to result in an increase in the number of NRC licensees that qualify as small entities.

V. Regulatory Analysis

The RFA requires agencies to consider the impact of rulemaking on small entities and, consistent with applicable statutes, study alternatives to minimize the impacts on applicable businesses, organizations, and government jurisdictions. In previous rulemakings to amend its size standards, the NRC has adjusted the criteria that the NRC uses to determine which of its licensees qualify as small entities for the purposes of compliance with the RFA.

For the NRC's size standards, rulemaking is required to amend the methodology for calculating average gross-receipts and the upper and lower tier receipts-based size standards to reflect inflationary adjustments. Because the last revision, an inflationary adjustment, to the receipts-based size standards in §§ 2.810 and 171.16(c) was in 2012 and 2013, respectively, this proposed rule includes inflationary adjustments to the receipts-based size standards. This proposed rule would amend §§ 2.810 and 171.16(c) to increase the NRC's upper tier receipts-based size standard from \$7.0 million to \$8.0 million for small businesses and small not-for-profit organizations, in order to remain consistent with the inflation adjustments made in the SBA's size standard for nonmanufacturing. In addition, the proposed rulemaking would amend

§ 171.16(c) to increase the lower tier receipts-based size standard from \$485,000 to \$555,000, based upon the percentage change in the upper tier. Furthermore, for consistency with the Runway Act and SBA regulations, the NRC is amending its methodology for calculating the average gross-receipts from a 3-year averaging period to a 5-year averaging period.

The NRC estimates that the proposed rule would provide the following benefits and costs:

Benefits

- This action would result in continued compliance with the RFA, since the proposed rule would reduce the impact of annual fees on small entities by increasing the receipts-based size standards in § 2.810 and the tiers in § 171.16(c) that licensees use to qualify as small entities.
- While it is not certain how many licensees would qualify as small entities under the receipts-based size standards that is adjusted for inflation, the staff estimates that 95 additional licensees (a 12-percent increase) would qualify as small entities and be eligible to pay a reduced annual fee.
- The licensees can have increased regulatory confidence that the NRC has amended the agency's receipts-based size standards to be consistent with the SBA's practices, and that staff would review the current size standards and determine whether proposed amendments are needed every 5 years or sooner based on the SBA's adjustments.

Costs

- The cost impact of changing the average gross-receipts from a 3-year averaging period to a 5-year averaging period is not known, as the average gross-receipts have been based on a 3-year averaging period since the NRC established its size standards in 1985. Every licensee would likely need to expend some effort to evaluate its gross-receipts and may need to provide additional information if questions arise during the staff's certification review. Modifying to a 5-year

averaging period of gross-receipts may result in a negative impact in that some licensees that are close to the upper limit of their size standard could lose their small entity status, while others may newly qualify as small entities. Despite this cost, since the NRC is proposing to amend the receipts-based size standards for inflationary adjustments, the NRC is required pursuant to the Runway Act to amend the average gross-receipts from a 3-year averaging period to a 5-year averaging period.

- The expected increase in additional licensees qualifying as small entities could possibly increase the NRC's net budget authority as a result of additional licensees qualifying as small entities.

The results of the regulatory analysis are cost-justified because the proposed rule would result in an estimated 95 additional licensees (a 12-percent increase) who would qualify as small entities and be eligible to pay a reduced annual fee and the identified cost impacts are small. The NRC did not identify any other alternatives to amend the receipts-based size standards under § 2.810, which are consistent with the adjustments made by the SBA. In addition, the NRC did not identify any alternatives to rulemaking to amend the upper and lower tiers under § 171.16(c) to reflect inflationary adjustments.

VI. Backfitting and Issue Finality

The NRC has determined that the backfit rule, §§ 50.109, 70.76, 72.62, and 76.76 and the issue finality provisions in 10 CFR part 52 do not apply to this proposed rule and that an analysis is not required because these amendments do not require the modification of, or addition to, 1) systems, structures, components, or the design of a facility; 2) the design approval or manufacturing license for a facility; or 3) the procedures or organization required to design, construct, or operate a facility.

VII. Plain Writing

The Plain Writing Act of 2010 (Pub. L. 111-274) requires Federal agencies to write documents in a clear, concise, and well-organized manner. The NRC wrote this document to be consistent with the Plain Writing Act, as well as the Presidential Memorandum, "Plain Language in Government Writing," published June 10, 1998 (63 FR 31885). The NRC requests comment on the clarity and effectiveness of the language used in this proposed rule.

VIII. National Environmental Policy Act

The NRC has determined that this proposed rule is the type of action described in 10 CFR 51.22(c)(1). Therefore, neither an environmental impact statement nor environmental assessment has been prepared for this proposed rule.

IX. Paperwork Reduction Act

This proposed rule does not contain a collection of information as defined in the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) and, therefore, is not subject to the requirements of the Act.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the document requesting or requiring the collection displays a currently valid OMB control number.

X. Voluntary Consensus Standards

The National Technology Transfer and Advancement Act of 1995, Pub. L. 104-113, requires that Federal agencies use technical standards that are developed or adopted by voluntary consensus standards bodies unless the use of such a standard is inconsistent with applicable law or otherwise impractical. In this proposed rule, the action does not constitute the establishment of a standard that contains generally applicable requirements.

XI. Availability of Guidance

The NRC publishes a fee guidance document for small entities annually in conjunction with the NRC's annual rule to revise its fee schedules. The "Small Entity Compliance Guide" is designed to assist businesses, organizations, educational institutions, and governmental jurisdictions in determining whether they qualify as small entities by providing the qualifying factors that make up the NRC's definition of "small entity," and the current small entity fees. The NRC will update the compliance guide each year when issuing the final fee rule and to align with the fee schedule of that year. Most recently, the NRC prepared the Small Entity Compliance Guide for the FY 2021 proposed fee rule. This compliance guide is available as indicated in Section XII, Availability of Documents, of this document.

XII. Availability of Documents

Documents identified in the following table are available to interested persons through one or more of the following methods, as indicated.

DOCUMENT	ADAMS ACCESSION NO. / WEB LINK / FEDERAL REGISTER CITATION
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NRC Size Standard for Making Determinations Required by the Regulatory Flexibility Act of 1980 (December 9, 1985)	50 FR 20913
NRC Form 526, "Certification of Small Entity Status for the Purposes of Annual Fees Imposed under 10 CFR Part 171"	https://www.nrc.gov/reading-rm/doc-collections/forms/nrc526.pdf
FY 2021 U.S. Nuclear Regulatory Commission Small Entity Compliance Guide	ML21105A750
Public Law (Pub. L.) 115–324, "Small Business Runway Extension Act of 2018"	https://www.congress.gov/115/plaws/publ324/PLAW-115publ324.pdf
Receipts-Based, Small Business Size Standard; Direct Final Rule (July 3, 2012)	77 FR 39385
Revision of Fee Schedules; Fee Recovery for Fiscal Year 2013 (July 1, 2013)	78 FR 39479
Small Business Size Standards: Calculation of Annual Average Receipts; Final Rule (December 5, 2019)	84 FR 66561

Throughout the development of this proposed rule, the NRC may post documents related to this proposed rule, including public comments, on the Federal rulemaking website at <https://www.regulations.gov> under Docket ID NRC-2014-0264.

List of Subjects

10 CFR Part 2

Administrative practice and procedure, Antitrust, Byproduct material, Classified information, Confidential business information, Environmental protection, Freedom of information, Hazardous waste, Nuclear energy, Nuclear materials, Nuclear power plants and reactors, Penalties, Reporting and recordkeeping requirements, Sex discrimination, Source material, Special nuclear material, Waste treatment and disposal.

10 CFR Part 171

Annual charges, Byproduct material, Holders of certificates, registrations, approvals, Intergovernmental relations, Nonpayment penalties, Nuclear materials, Nuclear power plants and reactors, Source material, Special nuclear material.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974, as amended; and 5 U.S.C. 552 and 553, the NRC is proposing to amend 10 CFR parts 2 and 171 as follows:

PART 2 – AGENCY RULES OF PRACTICE AND PROCEDURE

1. The authority citation for part 2 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 29, 53, 62, 63, 81, 102, 103, 104, 105, 161, 181, 182, 183, 184, 186, 189, 191, 234 (42 U.S.C. 2039, 2073, 2092, 2093, 2111, 2132, 2133, 2134, 2135, 2201, 2231, 2232, 2233, 2234, 2236, 2239, 2241, 2282); Energy Reorganization Act of 1974, secs. 201, 206 (42 U.S.C. 5841, 5846); Nuclear Waste Policy Act of 1982, secs. 114(f), 134, 135, 141 (42 U.S.C. 10134(f), 10154, 10155, 10161); Administrative Procedure Act (5 U.S.C. 552, 553, 554, 557, 558); National Environmental Policy Act of 1969 (42 U.S.C. 4332); 44 U.S.C. 3504 note. Section 2.205(j) also issued under 28 U.S.C. 2461 note.

2. In § 2.810, revise paragraphs (a)(1) and (b) to read as follows:

§ 2.810 NRC Size Standards.

* * * * *

(a) * * *

(1) Concern that provides a service or a concern not engaged in manufacturing with average gross receipts of \$8.0 million or less over its last 5 completed fiscal years;
or

* * * * *

(b) A small organization is a not-for-profit organization which is independently owned and operated and has annual gross receipts of \$8.0 million or less.

* * * * *

PART 171 -- ANNUAL FEES FOR REACTOR LICENSES AND FUEL CYCLE LICENSES AND MATERIALS LICENSES, INCLUDING HOLDERS OF CERTIFICATES OF COMPLIANCE, REGISTRATIONS, AND QUALITY ASSURANCE PROGRAM APPROVALS AND GOVERNMENT AGENCIES LICENSED BY THE NRC

3. The authority citation for part 171 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 11, 161(w), 223, 234 (42 U.S.C. 2014, 2201(w), 2273, 2282); Energy Reorganization Act of 1974, sec. 201 (42 U.S.C. 5841); 42 U.S.C. 2215; 44 U.S.C. 3504 note.

4. In § 171.16, revise paragraph (c) to read as follows:

§ 171.16 Annual fees: Materials licensees, holders of certificates of compliance, holders of sealed source and device registrations, holders of quality assurance program approvals, and government agencies licensed by the NRC.

* * * * *

(c) A licensee who is required to pay an annual fee under this section, in addition to 10 CFR part 72 licenses, may qualify as a small entity. If a licensee qualifies as a small entity and provides the Commission with the proper certification along with its annual fee payment, the licensee may pay reduced annual fees as shown in table 1 to this paragraph (c). Failure to file a small entity certification in a timely manner could result in the receipt of a delinquent invoice requesting the outstanding balance due and/or denial of any refund that might otherwise be due. The small entity fees are as follows:

Table 1 to Paragraph (c)

NRC Small Entity Classification	Maximum Annual Fee Per Licensed Category
Small Businesses Not Engaged in Manufacturing (Average gross receipts over the last 5 completed fiscal years):	
\$555,000 to \$8 million	\$4,900
Less than \$555,000	\$1,000
Small Not-For-Profit Organizations (Annual Gross Receipts):	
\$555,000 to \$8 million	\$4,900
Less than \$555,000	\$1,000
Manufacturing Entities that Have An Average of 500 Employees or Fewer:	
35 to 500 employees	\$4,900
Fewer than 35 employees	\$1,000
Small Governmental Jurisdictions (Including publicly supported educational institutions) (Population):	
20,000 to 49,999	\$4,900
Fewer than 20,000	\$1,000
Educational Institutions that are not State or Publicly Supported, and have 500 Employees or Fewer	
35 to 500 employees	\$4,900

Fewer than 35 employees	\$1,000
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Dated: July 1, 2021.

For the Nuclear Regulatory Commission.

Cherish K. Johnson,

Chief Financial Officer.

**SUBJECT: RECEIPTS-BASED NRC SIZE STANDARDS, PROPOSED RULE, 10 CFR
Parts 2 AND 171; [NRC-2014-0264] – RIN 3150-AJ51**

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