



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

March 16, 2000

**CHIEF FINANCIAL
OFFICER**

Mr. John Pfeiffer
Office of Management and Budget
New Executive Office Building
725 17th Street, N.W., Room 8025
Washington, D.C. 20503

Dear Mr. Pfeiffer:

The Omnibus Budget Reconciliation Act of 1990, as amended, requires that the NRC recover approximately 100 percent of its budget authority, less the appropriation from the Nuclear Waste Fund, for Fiscal Years 1991 through 2000 by assessing license and annual fees. For FY 2000, the NRC must collect approximately \$447.0 million through these fees.

In order to comply with the law, the Commission is amending its fee regulations in 10 CFR Parts 170 and 171. The proposed amendments to 10 CFR Part 170 would revise the professional hourly rates and "flat" licensing fees to reflect the costs of providing NRC licensing services to applicants and licensees.

The proposed amendments to 10 CFR Part 171 would establish the amount of the FY 2000 annual fees to be assessed to operating reactors, fuel cycle licensees, transportation certificate holders, and materials licensees to recover costs not recovered through 10 CFR Part 170 fees. The FY 2000 proposed annual fees will increase by about 1.4 percent as compared to FY 1999. The slight increase in the annual fees results primarily from a reduction in the number of licensees paying fees and a reduction in offsetting receipts compared to FY 1999.

Those NRC licensees that can qualify as a small entity under NRC's size standards will continue to be eligible to pay reduced annual fees. However, the Commission is proposing a 25 percent increase to those reduced fees to reflect the changes in NRC policy affecting the types of costs included in the annual fees and increases to those costs. These fees have not changed since initially introduced in FY 1991 and 1992. When the NRC established the reduced annual fee, it was only one component of the total fee assessed by the NRC to small entities. Although inspection, renewal, and amendment fees for materials licensees have now been eliminated and the costs of these activities included in the annual fees, the small entity reduced annual fee has remain unchanged. The proposed 25 percent increase is consistent with the percentage increase since FY 1991 in total fees paid by other materials licensees.

Mr. John Pfeiffer

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March 16, 2000

Enclosed is a copy of the proposed rule which is being transmitted to the Federal Register for publication. The notice provides for a 30-day public comment period.

Sincerely,

~~Original signed by Jesse Funches~~

Jesse L. Funches
Chief Financial Officer

Enclosure: Proposed Revision to
10 CFR Parts 170 and 171

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Mr. John Pfeiffer

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Enclosed is a copy of the proposed rule which is being transmitted to the Federal Register for publication. The final rule will become effective 60 days after publication.

Sincerely,

Jesse L. Funches
Chief Financial Officer

Enclosure: Proposed Revision to
10 CFR Parts 170 and 171

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