

November 15, 2001

MEMORANDUM TO: Charlotte L. Turner, Director
Division of Accounting and Finance
Office of the Chief Financial Officer

FROM: Michael J. Case, Director **/RA/**
Program Management, Policy Development and Planning Staff
Office of Nuclear Reactor Regulation

SUBJECT: REQUESTS FOR EXEMPTIONS FROM 10 CFR PART 170 FEES

Your memorandum of October 11, 2001, to me asked that (1) NRR staff provide the names of the licensees and the sites that have been accepted into the Safeguards Performance Assessment pilot program, (2) NRR provide information on any anticipated requests for exemptions from Part 170, and (3) I disseminate information to the NRR staff on fee exemption criteria. This memorandum responds to your requests.

The attachment (M. Case memorandum to NRR Division Directors, dated October 27, 2001) to this memorandum asks the staff to forward the names of licensees and sites that are accepted in the Safeguards Performance Assessment pilot program (SECY-01-0060) directly to the Chief, LFARB. The requested information was transmitted on November 8, 2001.

My memorandum also asks the division directors to survey the relevant staff to determine the number of anticipated requests for fee waivers under Part 170 that may occur during the next twelve months commencing November 1, 2001. All divisions responded and have identified no additional instances beyond the waiver requests already submitted for review.

With respect to the dissemination of the criteria that will be applied to fee waiver requests, my memorandum to NRR division directors provided your October 11 memorandum and Jesse Funches' memorandum to Samuel Collins of September 6, 2001. Both memoranda provide the criteria for evaluating fee waiver requests; division directors were asked to supply these memoranda to their staffs. However, we continue to believe that, in general, our staff is fully cognizant of the fee waiver criteria. As we have discussed with you in the past, we believe the industry has taken a more liberal interpretation of the fee waiver criteria. To address this concern, several months ago NRR prepared and proposed issuing an NRC Regulatory Issue Summary (RIS) to nuclear industry organizations, reactor vendor groups, and all holders of operating licenses to focus attention on the issue of fee waivers. At the time, your office did not believe the RIS was necessary and did not support its issuance. NRR continues to support the issuance of this RIS that addresses the fee waiver criteria as a means to improve the efficiency of the fee waiver process. We are currently setting up a meeting with your office to discuss this further.

If you have questions or need additional information, please contact Michael Kaltman at 415-2905 or Gene Suh at 415-8707.

Attachment: As stated

MEMORANDUM TO: Charlotte L. Turner, Director
Division of Accounting and Finance
Office of the Chief Financial Officer

FROM: Michael J. Case, Director
Program Management, Policy Development and Planning Staff
Office of Nuclear Reactor Regulation

SUBJECT: REQUESTS FOR EXEMPTIONS FROM 10 CFR PART 170 FEES

Your memorandum of October 11, 2001, to me asked that (1) NRR staff provide the names of the licensees and the sites that have been accepted into the Safeguards Performance Assessment pilot program, (2) NRR provide information on any anticipated requests for exemptions from Part 170, and (3) I disseminate information to the NRR staff on fee exemption criteria. This memorandum responds to your requests.

The attachment (M. Case memorandum to NRR Division Directors, dated October 27, 2001) to this memorandum asks the staff to forward the names of licensees and sites that are accepted in the Safeguards Performance Assessment pilot program (SECY-01-0060) directly to the Chief, LFARB. The requested information was transmitted on November 8, 2001.

My memorandum also asks the division directors to survey the relevant staff to determine the number of anticipated requests for fee waivers under Part 170 that may occur during the next twelve months commencing November 1, 2001. All divisions responded and have identified no additional instances beyond the waiver requests already submitted for review.

With respect to the dissemination of the criteria that will be applied to fee waiver requests, my memorandum to NRR division directors provided your October 11 memorandum and Jesse Funches' memorandum to Samuel Collins of September 6, 2001. Both memoranda provide the criteria for evaluating fee waiver requests; division directors were asked to supply these memoranda to their staffs. However, we continue to believe that, in general, our staff is fully cognizant of the fee waiver criteria. As we have discussed with you in the past, we believe the industry has taken a more liberal interpretation of the fee waiver criteria. To address this concern, several months ago NRR prepared and proposed issuing an NRC Regulatory Issue Summary (RIS) to nuclear industry organizations, reactor vendor groups, and all holders of operating licenses to focus attention on the issue of fee waivers. At the time, your office did not believe the RIS was necessary and did not support its issuance. NRR continues to support the issuance of this RIS that addresses the fee waiver criteria as a means to improve the efficiency of the fee waiver process. We are currently setting up a meeting with your office to discuss this further.

If you have questions or need additional information, please contact Michael Kaltman at 415-2905 or Gene Suh at 415-8707.

Attachment: As stated

Distribution:

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OFFICE	PIMB:PMAS	PIMB:PMAS	ADPT:NRR	PMAS:NRR
NAME	MKaltman	GSuh	BSheron	MCase
DATE	11/08/2001	11/08/2001	11/15/2001	11/15/2001

OFFICIAL RECORD COPY

ATTACHMENT

October 27, 2001

MEMORANDUM TO: David B. Matthews, Director, DRIP
Bruce A. Boger, Director, DIPM
John A. Zwolinski, Director, DLPM
Jack R. Strosnider, Director, DE
Gary M. Holahan, Director, DSSA
James E. Lyons, Director, NRLPO

FROM: Michael J. Case, Director **/RA/**
Program Management, Policy Development and Planning Staff

SUBJECT: FEE WAIVERS UNDER 10 CFR PART 170

I have attached two recent memoranda (Attachments A and B) from OCFO regarding requests for exemption from license fees under the provisions of 10 CFR Part 170. These memoranda request information from the NRR staff and provide information to the staff on fee exemption criteria used by OCFO.

Attachment A asks for assistance in estimating requests for exemptions from Part 170 fees (first-of-a-kind and one-of-a-kind projects or pilot plant licensing actions or inspections) for the next twelve months beginning November 2001. I would appreciate your response to this question by November 7 so that we can meet OCFO's target date. You should send your estimates to Michael Kaltman (mxk2, x2905) who will coordinate the office's response.

Attachment A also asks for the names of the sites and the licensees who volunteer and are accepted into The Safeguards Performance Assessment Pilot Program (SECY-01-0060). The names of the participants should be supplied directly to the Chief, License Fee and Accounts Receivable Branch (LFARB).

Finally, OCFO is requesting that all future fee exemption requests be forwarded to the Chief, LFARB, prior to coding any fee waiver requests as non-fee billable (my emphasis, see Attachment B). Your staff should be made aware of this requirement; however, PMAS encourages feedback if this procedure negatively impacts your work process. This feedback should also be provided to Michael Kaltman.

These memoranda should be provided to your staff as they provide information that would be helpful to those who become involved in exemption requests under Part 170.

Attachments: As Stated

cc:	J. Johnson	D. Skeen
	B. Sheron	M. Gamberoni
	R. Perch	M. Marchall
	M. Boyle	D. Skay
	S. Magruder	P. Ray
	C. Lauron	