

Mr. John Pfeiffer
Office of Management and Budget
New Executive Office Building
725 17th Street, NW, Room 8025
Washington, DC 20503

Dear Mr. Pfeiffer:

The Omnibus Budget Reconciliation Act of 1990, as amended, requires that the U.S. Nuclear Regulatory Commission (NRC) recover approximately 94 percent of its FY 2003 budget authority, less the appropriation from the Nuclear Waste Fund, by assessing license and annual fees. The NRC is required to recover approximately \$526.3 million in FY 2003.

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 2003 annual fees to be assessed to reactor licensees, fuel cycle licensees, transportation certificate holders, and materials licensees to recover costs not recovered through 10 CFR Part 170 fees. The FY 2003 proposed annual fees would increase for many of the categories of licensees, including operating power reactors. These increases are primarily due to increased budgeted costs to be recovered through fees for FY 2003. However, the proposed annual fees would decrease for other licensees due primarily to decreased budgeted costs for those specific classes.

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.

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,

Jesse L. Funches
Chief Financial Officer

Enclosure: Proposed Revision to
10 CFR Parts 170 and 171

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

CHIEF FINANCIAL
OFFICER

March 31, 2003

Mr. John Pfeiffer
Office of Management and Budget
New Executive Office Building
725 17th Street, NW, Room 8025
Washington, DC 20503

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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 2003 annual fees to be assessed to reactor licensees, fuel cycle licensees, transportation certificate holders, and materials licensees to recover costs not recovered through 10 CFR Part 170 fees. The FY 2003 proposed annual fees would increase for many of the categories of licensees, including operating power reactors. These increases are primarily due to increased budgeted costs to be recovered through fees for FY 2003. However, the proposed annual fees would decrease for other licensees due primarily to decreased budgeted costs for those specific classes.

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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,

A handwritten signature in black ink, appearing to read "Jesse L. Funches", is written over a horizontal line.

Jesse L. Funches
Chief Financial Officer

Enclosure: Proposed Revision to
10 CFR Parts 170 and 171