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5/28/03

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(Source: Final Rule)

NRC AMENDS LICENSING, INSPECTION AND ANNUAL FEES RULE

The Nuclear Regulatory Commission is amending its regulations for the licensing, inspection and annual fees it charges applicants and licensees for fiscal year (FY) 2003.

The agency is required to collect nearly all of its annual appropriated budget through two types of fees. One is for specific NRC services, such as licensing and inspection activities, that apply to a specific license. The other is an annual fee paid by all licensees, which recovers generic regulatory expenses and other costs not recovered through fees for specific services. These fees are contained in Commission regulations 10 CFR Part 170 (fees for licensing and inspection services) and 10 CFR Part 171 (annual fees).

By law, the NRC must recover \$526.3 million, or ^{2 space} 94 percent of its budget for FY 2003 (October 1, 2002 - September 30, 2003) less the \$24.7 million appropriated from the Nuclear Waste Fund for high-level waste activities. The amount to be recovered in FY 2003 includes \$29.3 million appropriated for NRC's activities related to homeland security. Homeland security costs were not included in the agency's fee base for FY 2002, and were appropriated from the Treasury's General

The total amount to be recovered
Fund. ~~The total amount to be recovered is \$501.6 million, which is about \$47 million more than last~~
year.

The hourly rates are \$156 for reactor program activities and \$158 for nuclear material program activities. There is a \$6 increase over FY 2002 in the hourly labor rate for NRC services performed in the nuclear materials program. ^AMajor reasons ^Kfor this increase ^{is} are the higher salary and benefits resulting from the Government-wide pay raise. While salary and benefits also increase for the reactor program, the increase is offset by a reduction in the average overhead.

The annual fees have been determined under the "re-baselining" method. The Commission decided to re-baseline annual fees this year based on the changes in the magnitude of the budget to be recovered through fees. Re-baselined annual fees for this year have resulted in increases compared to FY 2002 fees for four categories of licensees (operating power reactors, spent fuel storage/reactor decommissioning, fuel facilities, and rare earth facilities), and decreased annual fees for two categories (non-power reactors and uranium recovery).

Finally, in two categories, material users and transportation, some categories licenses have increased annual fees while others have decreased annual fees. A proposed regulation on this subject was published in *The Federal Register* for public comment on April 3. The comments were addressed and considered in the final rule.

The FY 2003 annual fees include the following for representative categories of licenses:

| <u>Category of Licenses</u> | <u>FY 2003 Annual Fee</u> |
|---------------------------------------|----------------------------------|
| Operating Power Reactors | \$3,251,000 |
| Spent Fuel Storage/ | |
| Reactor Decommissioning | \$319,000 |
| Non-Power Reactors | \$63,600 63,300 |
| High-enriched Uranium Fuel Facility | \$5,836,600 5,836,000 |
| Low-enriched Uranium Fuel Facility | \$1,957,000 ✓ |
| Uranium Recovery (Conventional Mills) | \$63,700 ✓ |
| <u>Transportation:</u> | |
| Users/Fabricators | \$76,000 76,200 |
| Users Only | \$7,100 ✓ |
| <u>Materials Users:</u> | |
| Radiographers | \$12,200 ✓ |
| Broad Scope Medical | \$24,700 ✓ |
| Distribution of Radiopharmaceuticals | \$4,700 ✓ |
| Gauge Users | \$1,900 ✓ |

A copy of the final rule will be published shortly in *The Federal Register*.

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