

December 12, 2003

Donna Bergman-Tabbert, Director
Grand Junction Project Office
U.S. Department of Energy
2597 B3/4 Road
Grand Junction, CO 81503

SUBJECT: ANNUAL FEES AND COORDINATION OF WORK FOR U.S. DEPARTMENT
OF ENERGY SITES UNDER TITLE I OF THE URANIUM MILL TAILINGS
RADIATION CONTROL ACT OF 1978

Dear Ms. Bergman-Tabbert:

I am responding to your letter dated October 27, 2003, that raised questions concerning the annual fees paid by the U.S. Department of Energy (DOE) to the U.S. Nuclear Regulatory Commission (NRC) for DOE's role in Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA) activities. In addition, you asked to discuss with us your requirements for fiscal year FY 2004 through FY 2006 and our ability to support those requirements.

In accordance with the NRC's FY 2002 final fee rule (Federal Register Vol 67, Number 121, dated June 24, 2002), the NRC revised the methodology for allocating uranium recovery budgeted costs to be recovered through annual fees among the two major types of programs in the uranium recovery class. The first type is the NRC's Title I program for DOE sites under UMTRCA. The second type is the NRC's UMTRCA Title II program; specifically, commercial solution mining facilities, conventional mills, and 11e(2) mill tailings disposal facilities. Although the Title I program is part of the uranium recovery class, DOE had not previously been assessed a portion of the NRC budgeted costs attributed to generic\other activities for the uranium recovery program. As a consequence, licensees under the NRC's specific licensing program (UMTRCA Title II) were previously assessed the entire cost of these generic\other activities.

In recognizing that the uranium recovery class is comprised of two types of licensees falling under either the NRC's Title I or Title II program, the Commission determined that it was appropriate to divide the generic\other costs included in the uranium recovery annual fee evenly among the two programs. Furthermore, DOE stands to gain from NRC's generic regulatory efforts because DOE eventually will also accept the Title II specifically licensed sites under a general license from the NRC for long term surveillance and care.

Therefore, the methodology allocates the total annual fee amount, less the amounts specifically budgeted for Title I activities, equally between Title I and Title II licensees. This results in an annual fee being assessed to DOE to recover the costs specifically budgeted for NRC's Title I activities plus 50 percent of the remaining annual fee amount, including the surcharge, for the uranium recovery class. The remaining surcharge and generic\other costs are to be assessed to the NRC Title II program licensees that are subject to annual fees.

If you have any further questions concerning fees, we will arrange a conference call with Mr. Robert Carlson, Team Leader, License Fee Team, Division of Financial Management, Office of the Chief Financial Officer or you can call him directly at (301) 415-8165.

Regarding your requirements for FY 2004 through FY 2006, I understand that Mr. Robert Nelson and Mr. William von Till of my staff discussed this topic with you in a conference call on December 8, 2003. If you have any additional questions on this topic please call Mr. Nelson (301) 415-7298 or via e-mail at RAN@NRC.GOV.

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

D. Bergman-Tabbert

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Sincerely,

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Gary S. Janosko, Chief
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and Safeguards
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