

May 18, 2006

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

Dear Mr. Chandler:

The Omnibus Budget Reconciliation Act of 1990, as amended, requires that the U.S. Nuclear Regulatory Commission (NRC) recover approximately 90 percent of its Fiscal Year (FY) 2006 budget authority, less the appropriations from the Nuclear Waste Fund and for Waste Incidental to Reprocessing activities, by assessing license and annual fees. The NRC is required to recover approximately \$624 million in FY 2006.

In order to comply with the law, the Commission is amending its fee regulations in 10 CFR Parts 170 and 171. The amendments to 10 CFR Part 170 revise the professional hourly rates and flat license application fees charged to licensees and applicants. The hourly rates used to assess Part 170 fees increase to \$217 for the Nuclear Reactor Safety Program and \$214 for the Nuclear Materials and Waste Safety Program. The rates reflect the anticipated costs NRC will incur providing licensee-specific services.

The amendments to 10 CFR Part 171 establish the amount of the FY 2006 annual fees to be assessed to NRC licensees, including reactors, fuel cycle facilities, and materials users, to recover costs not recovered through 10 CFR Part 170 fees. The FY 2006 annual fees result in increased annual fees compared to FY 2005 for almost all NRC licensees, with the exception of certain fuel facilities. The most significant factor affecting the changes to the annual fee amounts is the increase in the NRC's total fee recoverable budget of over \$83 million in FY 2006 compared to FY 2005. Other factors include changes in budgeted costs and estimated Part 170 collections for the different classes of licenses.

Those NRC licensees that can qualify as a small entity under NRC's size standards continue to be eligible to pay reduced annual fees.

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

Sincerely,

/RA/

Mary S. Givvines, Director
Division of Financial Management
Office of the Chief Financial Officer

Enclosure:
Final Revision to 10 CFR Parts 170 and 171

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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 amendments to 10 CFR Part 170 revise the professional hourly rates and flat license application fees charged to licensees and applicants. The hourly rates used to assess Part 170 fees increase to \$217 for the Nuclear Reactor Safety Program and \$214 for the Nuclear Materials and Waste Safety Program. The rates reflect the anticipated costs NRC will incur providing licensee-specific services.

The amendments to 10 CFR Part 171 establish the amount of the FY 2006 annual fees to be assessed to NRC licensees, including reactors, fuel cycle facilities, and materials users, to recover costs not recovered through 10 CFR Part 170 fees. The FY 2006 annual fees result in increased annual fees compared to FY 2005 for almost all NRC licensees, with the exception of certain fuel facilities. The most significant factor affecting the changes to the annual fee amounts is the increase in the NRC's total fee recoverable budget of over \$83 million in FY 2006 compared to FY 2005. Other factors include changes in budgeted costs and estimated Part 170 collections for the different classes of licenses.

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Mary S. Givvines, Director
Division of Financial Management
Office of the Chief Financial Officer

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Final Revision to 10 CFR Parts 170 and 171

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SISP Review Complete by JJ on 4/13 & 5/19/06

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