



March 1, 2019
19-012

Ms. Annette Vietti-Cook, Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
ATTN: Rulemaking and Adjudications Staff

Reference: License SNM-42, Docket 70-27

Subject: Comments on Fiscal Year 2019 Proposed Fee Rule (NRC Docket ID NRC-2017-0032)

Dear Ms. Vietti-Cook:

BWXT Nuclear Operations Group - Lynchburg (BWXT NOG-L), appreciates the opportunity to provide the following comments for the U.S. Nuclear Regulatory Commission (NRC) staff's consideration as it finalizes the fiscal year 2019 fee rule.

The FY19 proposed fee rule highlights a 14.8% decrease in total budgeted resources for a proposed FY19 budget of \$30 million for the fuel cycle business line. BWXT NOG-L appreciates the NRC taking into account that FY19 will fund a smaller projected workload, based on several factors, leading to a top line budget reduction. The smaller projected workload and the need to reduce overall budgeted resources has been a frequent topic at public meeting and drop-in visits with Commissioners and NRC Staff for the past several years. BWXT NOG-L sincerely welcomes the decrease in annual fees. We trust that the 14.8% decrease represents the beginning effort to even further budget cuts in FY2020 and beyond to match the reduction in resources needed to regulate this small and unique fleet.

While the reduction in fees is greatly appreciated, the FY19 proposed fee rule still highlights several inequities that must be rectified. BWXT NOG-L, an HEU fuel facility (Category I), still pays an exorbitantly higher annual fee amount (\$6.7 million) than a commercial power reactor (\$4.9 million), despite having a significantly smaller risk profile, even considering the FY19 annual fee increase for power reactors (+7.3%). This illogical fee imbalance has been ongoing for several years and the NRC, despite a multitude of discussions during public meetings and drop-ins, including the commission, has not addressed or justified this fact. Also, the HEU annual fee applied to the two Category I facilities represents nearly half of the total budgeted resources and over 50% of the annual fees for the business line.

Sincerely,

David C. Ward
Manager, Environment, Safety, Health & Safeguards
BWXT Nuclear Operations Group, Inc. – Lynchburg

cc: Ms. Maureen Wylie, CFO
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Mr. Nick Baker
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