

AFFIRMATIONRESPONSE SHEET

TO: SAMUEL J. CHILK, SECRETARY OF THE COMMISSION

FROM: COMMISSIONER GILINSKY

SUBJECT: SECY-83-495 - LICENSE FEES - FINAL RULE

F. 10/1/84  
FYI  
R  
7/6

*Miller*

APPROVED XX/with mod. DISAPPROVED \_\_\_\_\_ ABSTAIN \_\_\_\_\_

NOT PARTICIPATING \_\_\_\_\_ REQUEST DISCUSSION \_\_\_\_\_

## COMMENTS:

I would leave the present ceiling of \$20,000 for review of topical reports and approved topical report revisions. Resolving safety problems on a generic basis through Topical Reports introduces greater uniformity among utilities and closer scrutiny by NRC, and vendors should be encouraged to issue them.

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PDR FOIA  
REYNOLDB4-564 PDR

V6  
SIGNATURE

1 MAR 84  
DATE

SECRETARIAT NOTE: PLEASE ALSO RESPOND TO AND/OR COMMENT ON OGC/OPE MEMORANDUM IF ONE HAS BEEN ISSUED ON THIS PAPER.

AFFIRMATION

RESPONSE SHEET

P. NOREY  
FYI  
11/3/12

TO: SAMUEL J. CHILK, SECRETARY OF THE COMMISSION

FROM: COMMISSIONER ROBERTS

SUBJECT: SECY-83-495 - LICENSE FEES - FINAL RULE

SUBJECT TO COMMENTS BELOW *TM*

APPROVED        ~~YGCX~~ DISAPPROVED        ABSTAIN         
NOT PARTICIPATING        REQUEST DISCUSSION       

COMMENTS:

1. Agree with Commissioner Gilinsky's comment.
2. All categories should have a ceiling rather than specify full cost. We need to remove uncertainties so that licensees and vendors can adequately plan. I suggest that we either (a) keep the old ceilings the same for those cases where we have inadequate data to base an updated fee schedule, or (b) use some inflation factor or other indicator to fix the ceiling.
3. There should be a provision which gives us an option not to charge licensees for discretionary inspections and investigations. —especially in those cases where we are chasing down allegations which are later found not to have merit. *TM*

*John W. Roberts*  
\_\_\_\_\_  
SIGNATURE  
*3/9/84*  
\_\_\_\_\_  
DATE

SECRETARIAT NOTE: PLEASE ALSO RESPOND TO AND/OR COMMENT ON OGC/OPE MEMORANDUM IF ONE HAS BEEN ISSUED ON THIS PAPER.

AFFIRMATION

cc: Dircks  
Roe

RESPONSE SHEET

TO: SAMUEL J. CHILK, SECRETARY OF THE COMMISSION

P. Norm  
FYI  
R 3/12

FROM: COMMISSIONER ASSELSTINE

SUBJECT: SECY-83-495 - LICENSE FEES - FINAL RULE

APPROVED ✓ DISAPPROVED \_\_\_\_\_ ABSTAIN \_\_\_\_\_  
NOT PARTICIPATING \_\_\_\_\_ REQUEST DISCUSSION \_\_\_\_\_

COMMENTS:

I AGREE WITH COMMISSIONER GILINSKY'S  
MODIFICATION.

James K. Powell  
SIGNATURE

3-9-84

DATE

SECRETARIAT NOTE: PLEASE ALSO RESPOND TO AND/OR COMMENT ON OGC/OPE  
MEMORANDUM IF ONE HAS BEEN ISSUED ON THIS PAPER.

AFFIRMATION

cc: Dircks  
Roe

RESPONSE SHEET

P. Horry  
FBI  
RE  
3/12


TO: SAMUEL J. CHILK, SECRETARY OF THE COMMISSION

FROM: COMMISSIONER BERNTHAL

SUBJECT: SECY-83-495 - LICENSE FEES - FINAL RULE

APPROVED ✓ DISAPPROVED \_\_\_\_\_ ABSTAIN \_\_\_\_\_  
NOT PARTICIPATING \_\_\_\_\_ REQUEST DISCUSSION \_\_\_\_\_

COMMENTS:

  
SIGNATURE  
3/10/84  
DATE

SECRETARIAT NOTE: PLEASE ALSO RESPOND TO AND/OR COMMENT ON OGC/OPE  
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ROBERT T. STAFFORD, VT., CHAIRMAN  
HOWARD H. BAKER, JR., TENN.  
JOHN H. CHAFFET, N.J.  
ALAN K. STIMPSON, WYD.  
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DAVE DURENBERGER, MINN.  
GORDON HUMPHREY, N.H.  
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BARRY HART, COLO.  
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GEORGE J. MITCHELL, MAINE  
MAX BAUCUS, MONT.

BAILEY GARD, STAFF DIRECTOR  
JOHN W. TARD, JR., MINORITY STAFF DIRECTOR

## United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, D.C. 20510

March 13, 1984

The Honorable Nunzio J. Palladino  
Chairman  
U.S. Nuclear Regulatory Commission

Dear Joe:

In November of 1982, the Commission published a Notice of Proposed Rulemaking, announcing its intention to amend the schedule of fees charged by the Commission for inspections and review of applications for permits, licenses, amendments, renewals, and special projects. This initiative was undertaken to enable the Commission--through its fee schedule--to recover those costs incurred by the Commission in providing services to identifiable recipients.

During the course of a hearing conducted on March 10, 1983 before the Subcommittee on Nuclear Regulation, I expressed a number of concerns about the Commission's proposals to modify the fee schedule.

Now, as the Commission prepares to promulgate a final revised fee schedule, I would take this opportunity to renew those concerns. After careful examination of the proposed rule, and based upon comments from many who are involved in this industry on a day-to-day basis, I was greatly concerned about the proposed revisions to the fee schedule for source material licenses. I urge you, once again, to consider retaining the concepts of fixed fees and of fees based upon incurred costs, but subject to specified maximum amounts. These concepts are essential, in my judgment, to provide to licensees reasonable predictability as to licensing costs, to retain incentives for efficient management, and to provide for reasonable limitations on the Commission's authority to "pass through" to licensees the costs of the Commission's activities.

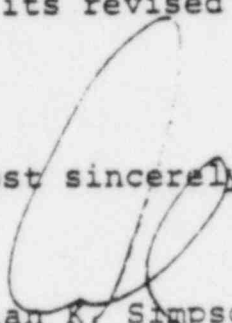
I recognize the Commission's responsibility, under Title V of the Independent Offices Appropriation Act of 1952, to recover those expenses deemed appropriate by the Commission, and I support the basic concept underlying that legislation. But I also firmly believe that the Commission's responsibilities under this Act can be effectively reconciled with the notion of providing the public, the licensees, and the Congress assurances that the Commission is performing its functions in an efficient and cost-effective manner. In order to carry out these twin responsibilities, I urge the Commission to again review carefully the categories of its activities that it proposes to include among the recoverable costs, in order to ensure that activities undertaken in the public interest, such as non-routine inspections or investigations, are not being imposed harshly or improperly on licensees.

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Finally, I urge you to take whatever steps may be necessary to ensure that the functions of the Commission are carried out in an efficient and effective manner and, in particular, to work closely with the individual states to minimize, to the extent possible, the duplication of regulatory effort.

I am enclosing for your review two letters that I trust you will find of great interest, and I urge you to consider the comments raised in these letters as the Commission moves forward with promulgation of its revised license fee schedule.

Most sincerely,



Alan K. Simpson  
United States Senate

AKS:jrc  
Enclosures as noted

cc: Glenn J. Catchpole  
T. G. Melrose



OGLE PETROLEUM INC. OF CALIFORNIA

TELEPHONE (307) 266-6456  
TELECOPY (307) 266-6457

2510 EAST 15TH STREET, SUITE #3  
CASPER, WYOMING 82409

February 10, 1984

The Honorable Alan K. Simpson  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20500

Dear Senator Simpson:

It has come to the attention of Ogle Petroleum Inc. of California (OPIC) that the matter of revised NRC licensing fees will soon be coming before the Commission for final rulemaking. In this regard I would like to briefly restate some of the concerns that my company had with the original draft regulations. I am quite sure that our concerns are shared by many, if not all, of the uranium mining operators in Wyoming.

OPIC of course has no way of knowing what changes (if any) have been made in the proposed revised licensing fee schedule but it is hoped that there are either fixed fees or caps to the fees for the various types of licensing action. Without fixed fees or upper limits there will be no incentive whatsoever for the NRC to conduct timely and efficient reviews of mine company license and amendment applications. Also, mining companies will have no way to budget for licensing if there are no fixed fees or caps. If the proposed final rulemaking does contain fixed fees or caps, it is hoped that the amounts are reasonable. For example, if the fees for licensing an in-situ uranium solution mine jump from \$10,050 (1978) to \$253,111 (the NRC stated cost of processing OPIC's license application) in just six years then something is wrong. It has been and continues to be my firm opinion that the NRC can process an in-situ license at a cost equal to or less than the current \$55,000 fee if they will 1) maintain capable and knowledgeable staff, 2) utilize generic EIS's, and 3) greatly reduce the use of outside consultants.

If it costs the NRC over \$250,000 to process a license application for a typical in-situ mine then I believe there is a serious problem with the overall system and major reform is in order. After all, industry pays for the various environmental and hydrologic studies and the NRC simply reviews the information. If the NRC feels that the information they get is not adequate then I would say the NRC needs to let industry know more clearly and precisely what information they want, the level of detail, etc. Currently, the NRC has such an abundance of disjointed and overlapping rules, regulations, regulatory guides, and draft regulatory guides pertaining to uranium mining that it is extremely difficult, if not impossible, for industry to deter-

REVISED NRC LICENSING FEES  
FEBRUARY 10, 1984  
PAGE TWO.

mine what should or should not be included in a license application.

Although it is beyond the scope of the matter of NRC licensing fees, I would like to state my concern over the tremendous duplication of effort between the NRC and the Land Quality Division of DEQ. This redundancy of effort is particularly visible in the hydrologic aspects of an application where the two groups often come up with differing opinions and conflicting license requirements. It seems like such a waste of regulatory manpower, time, and money; not to mention the confusion and frustration it causes the mining companies.

Thank you very much for taking the time to consider the above comments. Please let me know if I can be of any assistance to you in connection with this matter. Judy and I greatly enjoyed visiting with you the other night in Casper despite the weather - wish Ann could have been with you.

Best regards,

OGLE PETROLEUM INC. OF CALIFORNIA

  
Glenn J. Catchpole  
President

GJC:csq



February 3, 1984

Senator Alan Simpson  
709 Hart Building  
Washington, D. C. 20510

Honorable Senator Simpson:

I am writing with regard to the proposed increases in the U. S. Nuclear Regulatory Commission (NRC) fees for licensing and regulating nuclear source materials. Although my primary interest is in the NRC licensing and regulation of the uranium industry, I feel compelled to comment on the entire nuclear power cycle.

The nuclear power industry spawned by the federal government is going through the most costly development period of any technology today and despite all the years and money, has yet to reach maturity. One can hardly pick up a newspaper without reading another horror story involving a reactor project somewhere in the country. The cost we are paying for the combined mistakes of private sector management, unions, and the Federal NRC cannot be accurately measured, but rest assured, it will translate into higher energy costs which further restricts our ability to compete in world trade.

The NRC licensing fees for commercial reactors run into millions of dollars, but I'm sure they do not begin to cover the cost of compliance. If the entire nuclear power cycle were examined, the cumulative fees, starting with the mining of uranium and ending with fuel waste disposal, would be impressive and the total cost of compliance would be staggering. It's time to examine the regulatory process and determine a measure of cost benefit. The NRC should be required to analyze its costs and justify the benefit to the licensees before any fee increases are approved.

NC  
Senator Alan Simpson

February 3, 1984

Page two

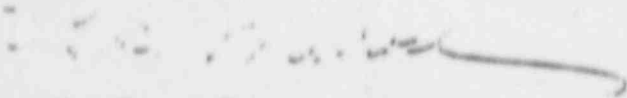
For example, a substantial portion of the licensing data submitted for a source materials license to in situ (solution Mining) mine uranium is a duplication of information submitted to and reviewed by state agencies. Many of the requirements of NEPA should be excluded from the licensing process and have no business in the domain of NRC.

In a letter to Jim Curtiss earlier this week, I outlined our licensing experience for an in situ mining operation in the South Powder River Basin of Wyoming. Over the period of four years and nine months required to go through R&D and Commercial licensing, we spent millions of dollars to provide the supportive licensing data plus over \$94,000 in NRC fees. The total cost, when related to our recoverable uranium ore reserves, is between one and two dollars per pound of  $U_3O_8$  -- and a number of future license amendments are assured during operation by conditions written into the license. In today's competitive international uranium market, one or two dollars a pound nearly 10% of the current spot market price, can decide a project's economic viability. If our experience licensing a mining site with no serious regulatory problems is indicative of what takes place throughout the nuclear power cycle, we are paying dearly for NRC's "help".

In conclusion, quoting statutes which authorize recovery of NRC costs through fees isn't an acceptable justification for a fee increase. Demonstrating what measures will be taken by the NRC to reduce the time and cost of the licensing and regulatory process to the licensee is a benefit which might allow a fee increase. However, we, the industry, should have a say in its evaluation as to the benefits.

Respectfully,

UNC TETON EXPLORATION DRILLING, INC.

  
T. G. Melrose  
Vice President  
Solution Mining

TGM/mdd

<b>L. Alan Simpson</b>  TO: <b>Chairman Palladino</b>		ACTION CONTROL	DATES	CONTROL NO. <b>NND 5 R</b>
		COMPL DEADLINE	<b>3-23-84</b>	<b>14227</b>
		INTERIM REPLY		DATE OF DOCUMENT
		FINAL REPLY		<b>3-13-84</b>
		FILE LOCATION	PREPARE FOR SIGNATURE OF: <input checked="" type="checkbox"/> CHAIRMAN <input type="checkbox"/> EXECUTIVE DIRECTOR OTHER: _____	

DESCRIPTION <input type="checkbox"/> LETTER <input type="checkbox"/> MEMO <input type="checkbox"/> REPORT <input type="checkbox"/> OTHER			SPECIAL INSTRUCTIONS OR REMARKS		
<b>Comments re License Fees (Encl. letters fm Glenn Catchpole &amp; T. G. Malrose)</b>			<div style="text-align: center;"><u><b>Priority</b></u></div> <div style="margin-top: 20px;"> <i>J. Davis</i>  <i>Household</i>  <b>CC: FC</b>  <i>J. Evans</i>  <b>SG</b>  <i>Wm</i> </div> <div style="margin-top: 20px;"> <i>1. Don</i>  <i>2. Claudia</i>  <i>3. PPB 2.6.1</i> </div> <div style="margin-top: 20px; text-align: center;"> <b>SECT 84-0292</b> </div>		
ASSIGNED TO	DATE	INFORMATION ROUTING			
<b>Morry, ADM</b>	<b>3-14-84</b>	<b>Dircks</b>			
		<b>Roe</b>			
		<b>Rehn</b>			
		<b>Stello</b>			
		<b>GCummingham</b>			
		<b>Davis</b>			
		<b>DeYoung</b>			
		<b>Kerr, SP</b>			

NRC FORM 232  
(6-80)

EXECUTIVE DIRECTOR FOR OPERATIONS  
PRINCIPAL CORRESPONDENCE CONTROL

A10

## CORRESPONDENCE CONTROL TICKET

Alan Simpson

NUMBER: 84-0292

LOGGING DATE: 3/13/84

## OFFICE OF THE SECRETARY

ACTION OFFICE: EDO

AUTHOR: Sen Alan K. Simpson

AFFILIATION:

LETTER DATE: 3/12/84

FILE CODE:

ADDRESSEE: Palladino

SUBJECT: Final RM decision concerning NRC licensee fees

ACTION: Chairman's Signature and Comm Review...  
Mar 22

DISTRIBUTION: OCA to Ack, Docket

SPECIAL HANDLING: None

SIGNATURE DATE:

Rec'd Off. EDO

Date...

Time... 1:45 p.m.

FOR THE COMMISSION: Billie



OFFICE OF THE  
COMMISSIONER

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555

April 3, 1984

MEMORANDUM FOR: William J. Dircks  
Executive Director for Operations  
FROM: James K. Asselstine *SU for JKA*  
SUBJECT: SECY-83-495 -- LICENSE FEES

In SECY-83-495, License Fees, the proposed ceiling for routine inspections for operating reactors is set at \$160,000. Based on a \$50 per hour rate for inspection, this computes to 3,200 hours of inspection a year per reactor. This seems low to me. Prior to affirming this rule, I would like a complete listing of the actual number of routine inspection hours of all the plants which were in operation in 1981, the year that these rates are based, as well as a rationale for the proposed \$160,000 ceiling.

cc: Chairman Palladino  
Commissioner Gilinsky  
Commissioner Roberts  
Commissioner Bernthal  
OGC  
OPE  
SECY

8562130244

All

Rec'd Off. EDO  
Date: 4-8-84  
Time: 1:16 PM





UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

April 5, 1984

CR-84-27

*File: License Fee*

FOIA-84-564

The Honorable Alan K. Simpson  
United States Senate  
Washington, DC 20510

Dear Senator Simpson:

This responds to your letter of March 13, 1984 in which you expressed concern about the Commission's proposed revised license fee schedule as it affects source material licenses. Enclosed with your letter was correspondence you had received from Mr. Glenn Catchpole of Ogle Petroleum, Inc., and Mr. T. G. Melrose of UNC Teton Exploration Drilling, Inc.

Based on comments received concerning the proposed removal of a fee ceiling for facilities and major fuel cycle applications and licenses, the Commission has decided to retain a predetermined ceiling or maximum fee for a majority of these applications and licenses. Fees would be based on full costs (professional staff hours and contractual costs expended) to conduct the review or inspection up to a predetermined limit. The ceilings would represent, in most instances, the top of the cost range for the various fee categories of applications and licenses contained in the November 22, 1984 Notice of Proposed Rulemaking. In certain instances, due to a lack of licensing activity and the consequent lack of cost data, there would be no ceilings. This would not, however, apply to source materials and applications; fixed fees would be retained for these small programs.

We share your concern that the Commission's activities be conducted efficiently. To ensure that applications are processed in a timely and cost effective manner, each NRC office in the licensing process is required to develop and work within an approved operating plan. This means that applications are scheduled for review and resources allocated based upon the staff time determined necessary to complete the particular type of review activity. The staff's performance in meeting schedules is monitored by staff management.

With respect to the use of outside resources, we secure the services of experienced laboratories and contractors to supplement the agency staff. The technical assistance program managers who manage these contracts exercise close oversight, including cost and schedule control and are responsible for the review and approval of all contract costs that are to be included in license fees.

In the November 22, 1982 proposed fee schedule, the Commission proposed for the first time to recover the costs of non-routine (reactive) inspections. Both routine and non-routine inspections deal with the fundamental issues of safety, health physics, safeguards and physical security of special nuclear materials, and protection of the environment. The cost of providing this service of non-routine inspections has become a significant effort for the

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The Honorable Alan K. Simpson

- 2 -

staff and cost to the agency. For these reasons, we believe it is incumbent upon us to recover the costs of these services.

No fees will be assessed for investigations conducted by the NRC Office of Investigations. Also, the Commission is considering waiving all costs that result from third party allegations, i.e., resulting from a party other than licensed management or NRC staff.

The NRC will continue to maintain a close working relationship with State regulatory agencies. We believe this effort helps to avoid unnecessary duplication of regulatory effort.

Commissioner Roberts adds:

"I strongly believe that the recovery of expenses should be subject to established fee ceilings. It appears to me that this would be a relatively simple matter, particularly for materials license reviews, which we have been performing for many years and which are fairly routine and mechanical. For other types of reviews, we could still update our previously established ceilings by considering recent cost data or by applying some sort of factor or indicator which reflects increased review costs due to inflation or higher salaries of our technical staff. In addition to removing some of the uncertainties associated with licensing reviews and inspections, I believe the establishment of fixed fee ceilings would prompt an efficient use of NRC staff resources."

I appreciate the time which you have taken to raise these questions concerning the Commission's proposed fee schedule. The Commission received a large number of public comments on the November 1982 Notice and these will be carefully considered before the Commission makes its final decision on this matter.

Sincerely,

Original signed by  
Nunzio J. Palladino

Nunzio J. Palladino

Cleared with all Cmrs' Offices by SECY  
Ref.-CR-84-27

Originating Office: EDO/ADM

OFFICE	SECY	SECY	OCA	OCM	OCM	OCM
SURNAME	KBissell	TComb	EFay	JMcDermott	NHaller	NPalladino
	1/1/84	1/1/84	1/1/84	1/1/84	1/1/84	1/1/84

ROBERT T. STAFFORD, VT., CHAIRMAN

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JOHN H. CHAFFEE, R.I.  
ALAN K. SIMPSON, WYD.  
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GARY HART, COLO.  
DANIEL PATRICK MOYNIHAN, N.Y.  
GEORGE J. MITCHELL, MAINE  
MAX BAUGUS, MONT.

## United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, D.C. 20510

March 13, 1984

BAILEY GUARD, STAFF DIRECTOR  
JOHN W. YAGO, JR., MINORITY STAFF DIRECTOR

The Honorable Nunzio J. Palladino  
Chairman  
U.S. Nuclear Regulatory Commission

Dear Joe:

In November of 1982, the Commission published a Notice of Proposed Rulemaking, announcing its intention to amend the schedule of fees charged by the Commission for inspections and review of applications for permits, licenses, amendments, renewals, and special projects. This initiative was undertaken to enable the Commission--through its fee schedule--to recover those costs incurred by the Commission in providing services to identifiable recipients.

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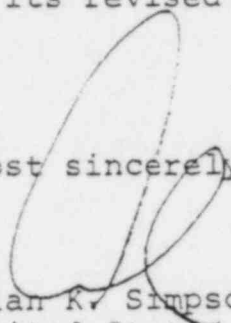
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Chairman Palladino  
Page Two

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I am enclosing for your review two letters that I trust you will find of great interest, and I urge you to consider the comments raised in these letters as the Commission moves forward with promulgation of its revised license fee schedule.

Most sincerely,



Alan K. Simpson  
United States Senate

AKS:jrc  
Enclosures as noted

cc: Glenn J. Catchpole  
T. G. Melrose



# OGLE PETROLEUM INC. OF CALIFORNIA

TELEPHONE (307) 266-6456  
TELECOPY (307) 266-6457

2510 EAST 15TH STREET, SUITE #2  
CASPER, WYOMING 82609

February 10, 1984

The Honorable Alan K. Simpson  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20500

Dear Senator Simpson:

It has come to the attention of Ogle Petroleum Inc. of California (OPIC) that the matter of revised NRC licensing fees will soon be coming before the Commission for final rulemaking. In this regard I would like to briefly restate some of the concerns that my company had with the original draft regulations. I am quite sure that our concerns are shared by many, if not all, of the uranium mining operators in Wyoming.

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If it costs the NRC over \$250,000 to process a license application for a typical in-situ mine then I believe there is a serious problem with the overall system and major reform is in order. After all, industry pays for the various environmental and hydrologic studies and the NRC simply reviews the information. If the NRC feels that the information they get is not adequate then I would say the NRC needs to let industry know more clearly and precisely what information they want, the level of detail, etc. Currently, the NRC has such an abundance of disjointed and overlapping rules, regulations, regulatory guides, and draft regulatory guides pertaining to uranium mining that it is extremely difficult, if not impossible, for industry to deter-



REVISED NRC LICENSING FEES  
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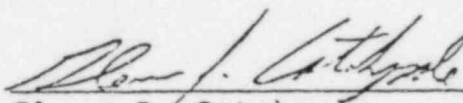
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Thank you very much for taking the time to consider the above comments. Please let me know if I can be of any assistance to you in connection with this matter. Judy and I greatly enjoyed visiting with you the other night in Casper despite the weather - wish Ann could have been with you.

Best regards,

OGLE PETROLEUM INC. OF CALIFORNIA

  
\_\_\_\_\_  
Glenn J. Catchpole  
President

GJC:csg

FEB 7 1984

# UNION EXPLORATION DRILLING, INC.

Subsidiary of Union Exploration, Inc.  
UNC RESOURCES Corporation

PO Box 100  
Casper, WY 82401

Telephone 307 233-4111

February 3, 1984

Senator Alan Simpson  
709 Hart Building  
Washington, D. C. 20510

Honorable Senator Simpson:

I am writing with regard to the proposed increases in the U. S. Nuclear Regulatory Commission (NRC) fees for licensing and regulating nuclear source materials. Although my primary interest is in the NRC licensing and regulation of the uranium industry, I feel compelled to comment on the entire nuclear power cycle.

The nuclear power industry spawned by the federal government is going through the most costly development period of any technology today and despite all the years and money, has yet to reach maturity. One can hardly pick up a newspaper without reading another horror story involving a reactor project somewhere in the country. The cost we are paying for the combined mistakes of private sector management, unions, and the Federal NRC cannot be accurately measured, but rest assured, it will translate into higher energy costs which further restricts our ability to compete in world trade.

The NRC licensing fees for commercial reactors run into millions of dollars, but I'm sure they do not begin to cover the cost of compliance. If the entire nuclear power cycle were examined, the cumulative fees, starting with the mining of uranium and ending with fuel waste disposal, would be impressive and the total cost of compliance would be staggering. It's time to examine the regulatory process and determine a measure of cost benefit. The NRC should be required to analyze its costs and justify the benefit to the licensees before any fee increases are approved.

UNC  
Senator Alan Simpson  
February 3, 1984  
Page two

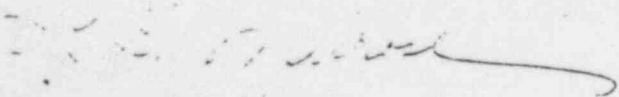
For example, a substantial portion of the licensing data submitted for a source materials license to in situ (solution Mining) mine uranium is a duplication of information submitted to and reviewed by state agencies. Many of the requirements of NEPA should be excluded from the licensing process and have no business in the domain of NRC.

In a letter to Jim Curtiss earlier this week, I outlined our licensing experience for an in situ mining operation in the South Powder River Basin of Wyoming. Over the period of four years and nine months required to go through R&D and Commercial licensing, we spent millions of dollars to provide the supportive licensing data plus over \$94,000 in NRC fees. The total cost, when related to our recoverable uranium ore reserves, is between one and two dollars per pound of  $U_3O_8$  -- and a number of future license amendments are assured during operation by conditions written into the license. In today's competitive international uranium market, one or two dollars a pound nearly 10% of the current spot market price, can decide a project's economic viability. If our experience licensing a mining site with no serious regulatory problems is indicative of what takes place throughout the nuclear power cycle, we are paying dearly for NRC's "help".

In conclusion, quoting statutes which authorize recovery of NRC costs through fees isn't an acceptable justification for a fee increase. Demonstrating what measures will be taken by the NRC to reduce the time and cost of the licensing and regulatory process to the licensee is a benefit which might allow a fee increase. However, we, the industry, should have a say in its evaluation as to the benefits.

Respectfully,

UNC TETON EXPLORATION DRILLING, INC.

  
T. G. Melrose  
Vice President  
Solution Mining

TGM/mdd



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

April 10, 1984

*Mr. DROUGITIS  
YOU MAY BE  
INTERESTED IN  
THIS, PARTICULARLY  
THE ITEMS  
MARKED ON  
P. 2*

MEMORANDUM FOR: William O. Miller, Chief  
License Fee Management Branch  
Office of Administration

FROM: Elliott A. Greher, Program Analyst  
Program Support and Analysis Staff  
Office of Inspection and Enforcement

SUBJECT: FY1981 ROUTINE INSPECTION EFFORT AT OPERATING REACTORS

Commissioner Asselstine has requested data on routine inspection hours of all plants which were in operation in 1981, the year that the rates upon which the proposed license fee rule (SECY-83-495) are based. Enclosure 1 is a copy of the Commissioner's request.

Based on your request we have prepared four computer runs for the specified 75 operating reactors covering efforts during the period October 5, 1980 thru October 3, 1981:

- Regular hours effort (for activity codes PAP, PP1, and DOC-- preparation, on-site/off-site inspection, and documentation, respectively) for these plants based on 8 types of regional personnel: PIC 41, 51, 52, 53, 61, 62, 71, 81 (see enclosure 2).
- Regular hours effort (re: PAP, PP1, DOC) for types of regional personnel: the above 8 plus PIC 11, 12, and 13 (see enclosure 3)
- Regular hours effort (re: PAP, PP1, DOC) for all types of regional personnel (see enclosure 4)
- Regular hours effort (re: PAP, PP1, and DOC) for all types of regional personnel by docket and within docket by PIC code. (see enclosure 5).

I also include enclosure 6 the computer run dated 08/11/83 that you supplied. (see enclosure 6)

Commissioner Asselstine questions the upper limit set for routine inspection fees in the license fee paper. This upper limit works out to (\$166,100 divided by \$53/hour) 3134 hours. A number of plants exceeded that limit depending on the criteria used. For instance:

*8562130460*

*A B*

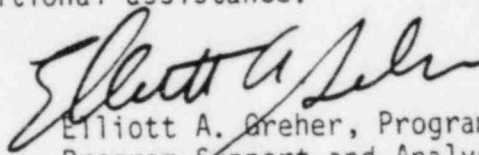
Duane Arnold  
Trojan  
# of plants exceeding 3134 hours

Encl. 2	Encl. 3	Encl. 4	Encl. 6
1963 hrs.	3148 hrs.	3752 hrs.	3147 hrs.
3390 hrs.	5872 hrs.	7157 hrs.	5872 hrs.
3	17	(22) $\frac{1}{3}$ hrs	16

Enclosure 5 is provided so that you can select which data is most appropriately included or excluded. I would suggest that all or nearly all the effort be included. Vendor inspectors, investigators and even licensing specialists can be used to perform routine inspection when they are available, competent and are needed. Similarly, supervisors--especially section chiefs--can be involved in routine inspection when there is a need and no inspector is available to perform the inspection. Such part-time use of section chiefs is often an inherent budgeting assumption.

In developing a ceiling for license fees it may be appropriate to consider effort in non-regular hours. Hopefully, all such effort should occur during regular hours but scheduling and deadlines often prelude that. I understand the reason that licensees will not be billed for future effort during non-regular hours, but this reason may not be operative or appropriate in calculating a ceiling for such fees. Given the time constraints we did not provide data on non-regular hours effort.

Please call on me if you require additional assistance.



Elliott A. Greher, Program Analyst  
Program Support and Analysis Staff  
Office of Inspection and Enforcement

Enclosures:  
As Stated

cc w/encl. 1:  
J. L. Blaha, IE  
A. J. Burda, IE



04/12/84

ROUTINE SAFETY & SAFEGUARDS INSPECTION  
FOR FY83  
REPORT #2/SELECTION BASED ON 11 PIC-CODES.

PAGE 1

	DOCKET NUMBER	FACILITY NAME	REGULAR HOURS	NON-REG HOURS	TOTAL HOURS
DOCKETNO TOTAL	05000313	ARKANSAS 1	2,432.8	122.0	2,554.8
DOCKETNO TOTAL	05000368	ARKANSAS 2	2,497.3	105.0	2,602.3
DOCKETNO TOTAL	05000334	BEAVER VALLEY 1	2,447.5	237.0	2,684.5
DOCKETNO TOTAL	05000155	BIG ROCK POINT 1	2,623.0	171.0	2,794.0
DOCKETNO TOTAL	05000259	BROWNS FERRY 1	1,571.7	94.0	1,665.7
DOCKETNO TOTAL	05000260	BROWNS FERRY 2	1,003.7	90.0	1,093.7
DOCKETNO TOTAL	05000296	BROWNS FERRY 3	749.1	58.0	807.1
DOCKETNO TOTAL	05000325	BRUNSWICK 1	2,322.5	132.5	2,455.0
DOCKETNO TOTAL	05000324	BRUNSWICK 2	2,249.0	137.5	2,386.5
DOCKETNO TOTAL	05000317	CALVERT CLIFFS 1	1,798.5	127.5	1,926.0
DOCKETNO TOTAL	05000318	CALVERT CLIFFS 2	1,554.0	123.0	1,677.0
DOCKETNO TOTAL	05000315	COOK 1	2,298.5	115.5	2,414.0
DOCKETNO TOTAL	05000316	COOK 2	2,129.5	103.0	2,232.5
DOCKETNO TOTAL	05000298	COOPER STATION	3,320.2	191.5	3,511.7
DOCKETNO TOTAL	05000302	CRYSTAL RIVER 3	2,579.5	253.5	2,833.0
DOCKETNO TOTAL	05000346	DAVIS-BESSE 1	3,869.0	316.5	4,185.5
DOCKETNO TOTAL	05000010	DRESDEN 1	351.0	29.0	380.0
DOCKETNO TOTAL	05000237	DRESDEN 2	2,254.5	294.5	2,549.0
DOCKETNO TOTAL	05000249	DRESDEN 3	1,539.0	214.0	1,753.0
DOCKETNO TOTAL	05000331	DUANE ARNOLD	2,581.0	183.5	2,764.5
DOCKETNO TOTAL	05000348	FARLEY 1	2,315.9	130.0	2,445.9
DOCKETNO TOTAL	05000364	FARLEY 2	1,595.5	102.0	1,697.5
DOCKETNO TOTAL	05000333	FITZPATRICK	3,822.0	131.0	3,953.0

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ROUTINE SAFETY & SAFEGUARDS INSPECTION  
FOR FY83  
REPORT #2/SELECTION BASED ON 11 PIC-CODES

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	DOCKET NUMBER	FACILITY NAME	REGULAR HOURS	NON-REG HOURS	TOTAL HOURS
DOCKETNO TOTAL	05000285	FORT CALHOUN 1	3,800.0	279.0	4,079.0
DOCKETNO TOTAL	05000267	FORT ST VRAIN	4,694.0	80.5	4,774.5
DOCKETNO TOTAL	05000244	GINNA	2,258.0	219.5	2,477.5
DOCKETNO TOTAL	05000213	HADDAM NECK	1,728.5	305.5	2,034.0
DOCKETNO TOTAL	05000321	HATCH 1	2,433.5	164.5	2,598.0
DOCKETNO TOTAL	05000366	HATCH 2	2,041.5	114.0	2,155.5
DOCKETNO TOTAL	05000003	INDIAN POINT 1	95.0	20.0	115.0
DOCKETNO TOTAL	05000247	INDIAN POINT 2	3,967.0	717.5	4,684.5
DOCKETNO TOTAL	05000286	INDIAN POINT 3	3,104.5	379.5	3,484.0
DOCKETNO TOTAL	05000305	KEWAUNEE	2,604.5	133.5	2,738.0
DOCKETNO TOTAL	05000409	LA CROSSE	1,964.0	113.5	2,077.5
DOCKETNO TOTAL	05000309	MAINE YANKEE	3,131.0	346.5	3,477.5
DOCKETNO TOTAL	05000369	MCGUIRE 1	2,515.0	211.0	2,726.0
DOCKETNO TOTAL	05000245	MILLSTONE 1	1,386.5	224.0	1,610.5
DOCKETNO TOTAL	05000336	MILLSTONE 2	1,828.5	296.0	2,124.5
DOCKETNO TOTAL	05000263	MONTICELLO	2,361.0	224.0	2,585.0
DOCKETNO TOTAL	05000220	NINE MILE POINT 1	2,108.5	145.0	2,253.5
DOCKETNO TOTAL	05000338	NORTH ANNA 1	1,526.0	76.0	1,602.0
DOCKETNO TOTAL	05000339	NORTH ANNA 2	1,455.0	103.5	1,558.5
DOCKETNO TOTAL	05000269	OCONEE 1	1,768.7	87.9	1,856.6
DOCKETNO TOTAL	05000270	OCONEE 2	1,106.7	44.1	1,150.8
DOCKETNO TOTAL	05000287	OCONEE 3	1,125.2	36.6	1,161.8
DOCKETNO TOTAL	05000219	OYSTER CREEK 1	3,494.0	315.5	3,809.5

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ROUTINE SAFETY & SAFEGUARDS INSPECTION  
FOR FY83  
REPORT #2/SELECTION BASED ON 11 PIC-CODES

PAGE 3

	DOCKET NUMBER	FACILITY NAME	REGULAR HOURS	NON-REG HOURS	TOTAL HOURS
DOCKETNO TOTAL	05000255	PALISADES	3,134.0	150.5	3,284.5
DOCKETNO TOTAL	05000277	PEACH BOTTOM 2	1,540.5	167.0	1,707.5
DOCKETNO TOTAL	05000278	PEACH BOTTOM 3	1,659.0	155.5	1,813.5
DOCKETNO TOTAL	05000293	PILGRIM 1	3,023.5	481.0	3,504.5
DOCKETNO TOTAL	05000266	POINT BEACH 1	2,435.5	53.5	2,489.0
DOCKETNO TOTAL	05000301	POINT BEACH 2	2,188.5	45.5	2,234.0
DOCKETNO TOTAL	05000282	PRAIRIE ISLAND 1	1,743.5	71.0	1,814.5
DOCKETNO TOTAL	05000306	PRAIRIE ISLAND 2	1,736.5	78.0	1,814.5
DOCKETNO TOTAL	05000254	QUAD CITIES 1	2,154.5	172.5	2,327.0
DOCKETNO TOTAL	05000265	QUAD CITIES 2	1,509.0	124.5	1,633.5
DOCKETNO TOTAL	05000312	RANCHO SECO 1	3,702.5	225.5	3,928.0
DOCKETNO TOTAL	05000261	ROBINSON 2	2,811.5	230.0	3,041.5
DOCKETNO TOTAL	05000272	SALEM 1	2,250.0	209.5	2,459.5
DOCKETNO TOTAL	05000311	SALEM 2	1,997.5	233.0	2,230.5
DOCKETNO TOTAL	05000206	SAN ONOFRE 1	1,476.0	141.5	1,617.5
DOCKETNO TOTAL	05000327	SEQUOYAH 1	2,103.0	83.0	2,186.0
DOCKETNO TOTAL	05000328	SEQUOYAH 2	1,472.0	69.5	1,541.5
DOCKETNO TOTAL	05000335	ST LUCIE 1	2,225.5	142.0	2,367.5
DOCKETNO TOTAL	05000280	SURRY 1	2,128.6	136.0	2,264.6
DOCKETNO TOTAL	05000281	SURRY 2	1,824.2	85.5	1,909.7
DOCKETNO TOTAL	05000289	THREE MILE ISLAND 1	7,160.5	641.0	7,801.5
DOCKETNO TOTAL	05000320	THREE MILE ISLAND 2	5,498.5	513.0	6,011.5
DOCKETNO TOTAL	05000344	TROJAN	3,169.5	112.0	3,281.5

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ROUTINE SAFETY & SAFEGUARDS INSPECTION  
FOR FY83  
REPORT #2/SELECTION BASED ON 11 FIC-CODES

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	DOCKET NUMBER	FACILITY NAME	REGULAR HOURS	NON-REG HOURS	TOTAL HOURS
DOCKETNO TOTAL	05000250	TURKEY POINT 3	2,555.0	168.5	2,723.5
DOCKETNO TOTAL	05000251	TURKEY POINT 4	2,249.5	114.5	2,364.0
DOCKETNO TOTAL	05000271	VERMONT YANKEE 1	3,049.0	361.0	3,410.0
DOCKETNO TOTAL	05000029	YANKEE-ROWE 1	1,748.5	181.0	1,929.5
DOCKETNO TOTAL	05000295	ZION 1	2,278.5	72.5	2,351.0
DOCKETNO TOTAL	05000304	ZION 2	2,556.0	84.0	2,640.0

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ROUTINE SAFETY & SAFEGUARDS INSPECTION  
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DOCKET NUMBER	FACILITY NAME	REGULAR HOURS	NON-REG HOURS	TOTAL HOURS
GRAND TOTAL		175,780.6	13,400.6	189,181.2