



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

January 7, 1993

The Honorable William L. Clay  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Clay:

I am responding to your November 23, 1992, letter written on behalf of your constituent, Donald S. Eskridge, Reitz & Jens, Inc., St. Louis, Missouri, concerning amendment fees assessed for License 24-26114-01.

The Omnibus Budget Reconciliation Act of 1990 (OBRA-90), requires that the Commission recover 100 percent of its budget authority, less appropriations from the Department of Energy (DOE) administered Nuclear Waste Fund, for Fiscal Years 1991 through 1995 by assessing license and annual fees. To recover 100 percent of the budget, the NRC assesses two types of fees. First, license fees are assessed under 10 CFR Part 170 of the Commission's regulations to recover the costs to the NRC of providing individually identifiable services to specific applicants for, and holders of NRC licenses and approvals. For example, Part 170 fees are normally assessed for licensing actions (e.g., amendments) filed by licensees. Reitz & Jens, Inc. filed an amendment request dated October 7, 1992, to amend License No. 24-26114-01. The amendment request was supplemented on November 16, 1992, to add additional cesium-137 and americium-241 gauges to the license. The amount of the amendment fee (\$410) is based on the average cost of processing amendment requests for licenses in 10 CFR Part 170.31, fee Category 3P, which includes surface moisture/density gauges. While some amendments may involve a relatively small amount of staff time, (e.g., address changes) others may require significant technical review. We use an average cost because it would not be cost effective or feasible to track and separately bill the effort associated with each unique amendment.

The second type of fees assessed by the NRC are annual fees which were established for the first time for materials licensees effective August 9, 1991. These fees are assessed to NRC licensees under 10 CFR Part 171 and recover generic and other regulatory costs not recovered under Part 170. For example, NRC costs associated with generic and other regulatory activities include but are not limited to those costs related to formulating regulations, overseeing regional programs, developing inspection programs, event and allegation follow-up and responses to petitions. These types of activities are required in order to effectively regulate NRC licensees.

We realize, of course, that fees do have a financial impact on NRC licensees, particularly in smaller programs. Accordingly, in developing the Commission's fee schedules, every effort was made to establish fees that are fair and

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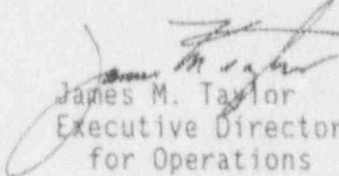
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equitable. We believe that, to the maximum extent practicable, the fees established represent a fair and equitable implementation of OBRA-90 to recover 100 percent of the NRC's budget authority.

If I can be of further assistance, please let me know.

Sincerely,



James M. Taylor  
Executive Director  
for Operations