

PUBLIC SUBMISSION

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Docket: NRC-2017-0228
Revision of Fee Schedules: Fee Recovery for FY 2020

Comment On: NRC-2017-0228-0002
Revision of Fee Schedules; Fee Recovery for Fiscal Year 2020

Document: NRC-2017-0228-DRAFT-0004
Comment on FR Doc # 2020-03054

Submitter Information

Name: Jennifer Uhle

General Comment

See attached file(s)

Attachments

03-16-20_NRC_NEI Comments on FY20 Proposed Fee Rule

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March 16, 2020

Ms. Annette Vietti-Cook

Secretary

U.S. Nuclear Regulatory Commission

Washington, DC 20555-0001

ATTN: Rulemaking and Adjudications Staff

Submitted via Regulations.Gov

Subject: Industry Comments on Fiscal Year 2020 Proposed Fee Rule (NRC Docket ID NRC-2017-0228)

Project Number: 689

Dear Ms. Vietti-Cook:

On behalf of the Nuclear Energy Institute's (NEI)¹ members, we provide the following comments for the U.S. Nuclear Regulatory Commission (NRC) staff's consideration as it finalizes the fiscal year 2020 fee rule.

We appreciate the public meeting held by Ms. Cherish Johnson and other NRC staff on March 5, 2020 to discuss the FY 2020 proposed fee rule and its underlying basis and assumptions. This meeting included informative presentations from the Office of the Chief Financial Officer (OCFO) as well as presentations by the Office of Nuclear Reactor Regulation and Office of Nuclear Material Safety and Safeguards. The staff was very supportive and this meeting provided an effective forum for addressing stakeholder questions.

In prior year comments, we have identified a lack of transparency in the basis for the budget as an area of concern. We acknowledge that several steps have been taken to improve both the types and clarity of information provided in the fee rule work papers and Congressional Budget Justification. There has been a marked improvement in the level of detail provided to stakeholders on the NRC budget, however, we urge that additional steps be taken. In particular, we believe that additional detail should be provided on budgeted work activities, including a level of planned effort for each activity, how this level compares with the prior year, and the rationale for the change. Such detail would enable licensees to better evaluate and understand significant budget changes. Additional information should be provided to enable a better

¹ The Nuclear Energy Institute (NEI) is the organization responsible for establishing unified industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include entities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, nuclear materials licensees, and other organizations and entities involved in the nuclear energy industry.

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understanding of which actions are recovered through service fees and which actions are recovered through annual fees. We also believe that stakeholders would benefit greatly from an expansion on the narrative discussion in the fee rule work paper explaining significant increases/decreases in product line budget items.

Over the past five years, Part 170 service fee collections have decreased by over 35%. This increases the percentage of NRC budget that must be recovered through annual fees. The percentage of the Operating Plant budget that is derived from annual fees (currently at 69%) continues to increase and is up from 58% in FY 2013. The high percentage of activities covered by annual fees places an increased importance on transparency of indirect services covered under Part 171 fees. We encourage a continued focus on enhancing transparency.

The anticipated continued reduction in Part 170 service fee collections places a strong obligation on the NRC to ensure that staffing levels and budgets are properly aligned to reflect smaller projected workloads. The NRC should take all necessary steps to continue and expedite its efficiency efforts.

The proposed FY20 annual fee reduction for Fuel Cycle Facilities of approximately 26% is most welcome given that this small, shrinking, yet diverse fleet has seen a growing annual fee trajectory for nearly two decades. This topic has been heavily discussed through a series of public meetings in 2017-2018, in which over 20 unique comment letters from the fuel cycle industry were submitted to the NRC, highlighting the paramount importance of right-sizing this business line. A proposed 26% reduction in annual fees allows licensees to focus resources on items of true safety and security significance. We also appreciate NRC taking into consideration that FY20 will represent a smaller projected workload, based on several factors, leading to a proposed overall business line reduction of 22.6%.

However, we note that annual fees for Category I Fuel Cycle Facilities (listed under Category "High-Enriched Uranium Fuel") still exceed operating power reactor fees by roughly half a million dollars (\$4.9M vs. \$4.5M, respectively). We continue to encourage the NRC to adjust the Category I Fuel Cycle Facility regulatory effort, and in turn fees, to be commensurate with the facility risk profile.

We note that the proportion of annual fees to the overall proposed FY20 budget is approximately 78%. Given this proportion, we continue to emphasize the need for the NRC staff to work with industry in an open and transparent fashion regarding the prioritization of annual fee expenditures. This has been an outstanding industry request for the last several years, and we hope to engage with NRC staff on this item in the near term.

Furthermore, it is imperative that the OCFO staff take into consideration NMSS' ongoing Fuel Cycle Smarter Program initiative, which will likely identify further reductions in FY21 fee-billable inspection hours. For planning purposes, a commensurate business line reduction in FY21 should closely reflect any final "Smarter Programs" inspection decisions (final reports are anticipated in Spring 2020). In the absence of such adjustments, fuel cycle facilities will experience an unnecessary increase in annual fees for FY21.

Ms. Annette Vietti-Cook

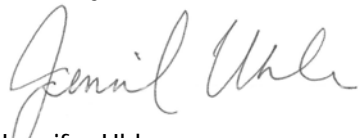
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The proposed fee rule includes a revision to 10 CFR Part 171.15 regarding the assessment of annual fees for 10 CFR Part 52 combined license holders and future 10 CFR Part 50 power reactor licensees. NEI supports the changes to 10 CFR 171 that specifies that annual fees would be assessed after "the licensee has successfully completed power ascension testing" for holders of both Part 52 and Part 50 licenses.

Please contact me if you have any questions regarding these comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer Uhle".

Jennifer Uhle

c: Ms. Cherish Johnson, NRC/CFO