

WRITTEN STATEMENT
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UNITED STATES NUCLEAR REGULATORY COMMISSION
TO THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
JANUARY 15, 2020

Good morning Chairman Barrasso, Ranking Member Carper, and distinguished members of the Committee. I appreciate the opportunity to appear this morning with the Executive Director for Operations Margaret Doane to testify on the U.S. Nuclear Regulatory Commission's (NRC) activities and progress implementing the Nuclear Energy Innovation and Modernization Act, or NEIMA. I will cover the progress associated with Sections 101, 102, and 202 of NEIMA, for which the Office of the Chief Financial Officer has the lead.

Section 101: NRC User Fees and Annual Charges Through FY 2020

Section 101 of NEIMA specifically excludes amounts appropriated to the NRC for activities related to the development of regulatory infrastructure for advanced nuclear reactor technologies from the amount the NRC must recover through fees. The NRC is developing the Fiscal Year (FY) 2020 draft fee rule consistent with NEIMA such that the development of regulatory infrastructure for the advanced reactor technologies, including activities required under section 103 of NEIMA, is not recovered through fees. Since FY 2017, annual appropriations acts for the NRC have similarly provided that funding for such activities is to be excluded from fee-recovery requirements.

Section 102: Nuclear Regulatory Commission User Fees and Annual Charges for FY 2021 and each year thereafter

On October 1, 2020, the NRC will revise its framework for developing the annual budget and fee recovery as directed by NEIMA. Specifically, Section 102 caps the operating reactor licensee annual fee; caps the NRC's corporate support costs at 30 percent of the annual budget request for FY 2021, stepping down to 28 percent in FY 2025 and beyond; and requires anticipated expenditures for "requested activities of the Commission" to be identified in the annual budget justification. The budget formulation process and associated systems have been modified to implement these changes, and the FY 2021 Congressional Budget Justification and FY 2021 fee rule will reflect the changes. Once the President's budget is released on February 10, 2020, the NRC will be able to provide more specific information regarding the implementation of these provisions. In addition, Section 102 requires new performance measures, which have been established and will be included in the FY 2021 Congressional Budget Justification.

Section 102 also requires the NRC to ensure accurate invoicing and make associated modifications to NRC regulations regarding fee disputes, which will be reflected in the FY 2021 Fee Rule. In partnership with our internal and external stakeholders, we have taken several steps to improve invoice accuracy and transparency consistent with Section 102(d) of NEIMA. Most importantly, we completed a new monthly standardized fees validation process starting in July 2019. This new process, the result of a collaborative effort led by the Office of the Chief Financial Officer with the NRC's major program offices and Regions, improves accountability and oversight within the NRC to ensure fee billing data are correct before appearing on a licensee's quarterly invoice. Specifically, we added new data elements to our information technology systems to identify the individuals responsible for validating billing charges, created

new reports for staff and managers to improve their analysis, and provided training to ensure responsible staff were prepared for this change.

In addition, the NRC implemented the new electronic billing (eBilling) system on October 1, 2019. This system was designed in consultation with a representative group of nine licensees that were involved throughout the development phase. The system includes the following improvements: (a) eliminating mailing of paper invoices; (b) providing licensees with the capability to analyze their invoices online; (c) providing licensees with access to Treasury's payment system to pay their invoices; (d) improving the timeliness of invoices; (e) providing the capability to export invoice data easily for analysis and verification of charges; and (f) providing licensees with an efficient method to submit inquiries regarding, or to seek review of, their invoices by having questions immediately delivered via email to the agency for research or action. A phased implementation approach and corresponding communication plan to licensees is being used to facilitate efficient and effective enrollment throughout FY 2020. Forty-five licensees were enrolled in eBilling as of December 27, 2019.

Section 202: Pilot Program for Uranium Recovery

The NRC completed a voluntary pilot initiative to determine the feasibility of establishing a flat fee structure for routine licensing matters relating to uranium recovery. As directed by NEIMA, the NRC provided a report describing the results of the pilot initiative to the Senate Committee on Environment and Public Works and the House Committee on Energy and Commerce on January 10, 2020. As discussed in the report, the NRC staff determined that while it could fairly and equitably establish flat fees for financial reviews and routine inspections for the single remaining uranium recovery NRC licensee in this fee class, the NRC ultimately decided to maintain its current fee billing structure. However, the NRC will continue its communication with

the remaining licensee and any future applicants and provide estimated costs anticipated for uranium recovery activities. In addition, the NRC staff has posted cost estimates for uranium recovery activities on the NRC's public web site to give a general sense of what can be expected.

CLOSING

Chairman Barrasso, Ranking Member Carper, and distinguished members of the Committee, thank you again for the opportunity to appear before you, and I look forward to answering any questions you may have.