

the license fee process and provide more predictable fees.

3. The methodology for calculating the professional hourly rate is changed to better align the budgeted costs with the major classes of licensees. Two professional staff-hour rates are established instead of a single rate.

4. The methodology for calculating annual fees for power reactors, fuel facilities and uranium recovery licensees is changed to make annual fees more closely reflect the cost of providing regulatory services to the classes and subclasses of licensees and to improve efficiency.

5. NRC small entity and lower-tier size standards are modified for annual fee purposes.

6. The proration provision in 10 CFR 171 has been amended to allow proration of annual fees when materials licenses are downgraded during the year.

As a result of the reduced budget amount to be recovered for FY 1995, increased 10 CFR part 170 fee collections from power reactors, and these final changes, the annual fees for a large majority of the licensees have been reduced. The following provides illustrative examples of the changes in the annual fees.

Class of licensees	Annual fee	
	FY 1994	FY 1995
Power Reactors	\$3,078,000	\$2,936,000
Nonpower Reactors	62,200	56,500
High Enriched Fuel Facility ...	3,231,770	2,569,000
Low Enriched Fuel Facility ...	1,484,770	1,261,000
UF ₆ Conversion	1,179,770	639,200
Uranium Mills	74,670	60,900
Typical materials licenses		
Radiographers ..	19,170	13,900
Well Loggers	12,870	8,100
Gauge Users	2,470	1,700
Broad Scope Medical	32,570	23,200

To help stabilize fees, beginning in FY 1996, the NRC will adjust the annual fees only by the percent change in NRC's total budget. The annual fees in this final FY 1995 rule will be used as a base, and the percentage change (plus or minus) in the NRC total FY 1995 budget will be applied to all annual fees for the next four years (FY 1996–FY 1998 and FY 1999 if OBRA–90 is extended) unless there is a substantial change in the total NRC budget or the magnitude of the budget allocated to a specific class of licensees, in which case

the annual fee base would be reestablished. The decision on whether to establish a new baseline will be made each year during budget formulation. For example, if the total NRC budget is reduced by 3 percent and the number of licenses and the amount estimated to be recovered under 10 CFR part 170 remains constant in a given fiscal year, then all annual fees would be reduced by approximately 3 percent.

The NRC contemplates that any fees to be collected as a result of this final rule will be assessed on an expedited basis to ensure collection of the required fees by September 30, 1995, as stipulated in OBRA–90. Therefore, as in FYs 1991–1994 the fees will become effective 30 days after publication of the final rule in the **Federal Register**. The NRC will send a bill for the amount of the annual fee to the licensee or certificate, registration, or approval holder upon publication of the final rule. Payment will be due on the effective date of the FY 1995 rule.

The NRC will continue the proration of annual fees, established in FY 1994, in accordance with the provisions of § 171.17 for new licensees and requests for termination. The annual fees for both reactor and material licensees are prorated based on (1) The date applications are filed during the FY to terminate a license or obtain a possession-only license (POL) and (2) the date new licenses are issued during the FY.

A. Amendments to 10 CFR part 170: Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services

Four amendments have been made to part 170. These amendments do not change the underlying basis for the regulation—that fees be assessed to applicants, persons, and licensees for specific identifiable services rendered. The amendments also comply with the guidance in the Conference Committee Report on OBRA–90 that fees assessed under the Independent Offices Appropriation Act (IOAA) recover the full cost to the NRC of identifiable regulatory services each applicant or licensee receives.

First, § 170.11 is amended to conform it to section 161w. of the Atomic Energy Act of 1954, as amended (AEA). That section of the AEA currently allows the Commission to charge part 170 fees to power reactors operated by the Tennessee Valley Authority or other Federal government entities and to uranium enrichment facilities operated by the United States Enrichment Corporation, as these reactors and facilities are licensed or certified by the

NRC. In all other cases, the NRC is prevented from charging part 170 fees to Federal agencies for services rendered, due to a prohibition on such charges contained in the Independent Offices Appropriation Act, 31 U.S.C. 9701.

Second, the current method of calculating the 10 CFR part 170 professional hourly rate is revised. Currently, there is one professional hourly rate established in § 170.20, which is used to determine the fees assessed by the NRC. This professional hourly rate was \$133 per hour for FY 1994. The NRC has established two professional hourly rates for FY 1995, which will be used to determine the part 170 fees. The NRC has established a rate of \$123 per hour (\$214,765 per direct FTE) for the reactor program. This rate is applicable to those activities covered by 10 CFR 170.21 of the fee regulations. A second rate of \$116 per hour (\$203,096 per direct FTE) is established for the nuclear materials and nuclear waste program. This rate is applicable to those activities covered by 10 CFR 170.31 of the fee regulations. These rates are based on the FY 1995 direct FTEs and that portion of the FY 1995 budget that does not constitute direct program support (contractual services costs) and is not recovered through the appropriation from the NWF.

The two rates are based on cost center concepts that are now being used for NRC budgeting purposes. In implementing cost center concepts, all budgeted resources for each cost center are assigned to that center for analysis and license fee purposes to the extent they can be separately distinguished. These costs include all salaries and benefits, contract support, and travel that are required for each cost center activity. Additionally, all resources for the Advisory Committee on Reactor Safeguards (ACRS), the Advisory Committee on Nuclear Waste (ACNW), the Office of Investigation (OI), the Office of Enforcement (OE), and all program direct resources for the Office of the General Counsel (OGC) are assigned to cost centers. The NRC took a first step in this direction in FY 1994 when it directly assigned additional effort to the reactor and materials programs for OI, OE, ACRS and ACNW. Commenters supported this change in FY 1994 indicating that such assignment better defines the beneficiaries of certain regulatory activities and more equitably allocates the fees for services provided (59 FR 36897; July 20, 1994). The cost center concept is discussed more fully in