



B-282970

June 21, 1999

The Honorable John H. Chafee
Chairman
The Honorable Max Baucus
Ranking Minority Member
Committee on Environment and Public Works
United States Senate

The Honorable Thomas J. Bliley, Jr.
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Commerce
House of Representatives

Subject: Nuclear Regulatory Commission: Revision of Fee Schedules; 100% Fee Recovery, FY 1999

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by Nuclear Regulatory Commission (NRC), entitled "Revision of Fee Schedules; 100% Fee Recovery, FY 1999" (RIN: 3150-AG08). We received the rule on June 10, 1999. It was published in the Federal Register as a final rule on June 10, 1999. 64 Fed. Reg. 31448.

The final rule implements for fiscal year 1999 section 6101 of the Omnibus Budget Reconciliation Act of 1990, as amended, 42 U.S.C. § 2214. It requires the NRC to recover from its applicants and licensees approximately 100 percent of its budget authority, less amounts appropriated from the Nuclear Waste Fund. For FY 1999, the NRC must collect approximately \$449.6 million through these fees. Two types of fees are assessed: (1) applicants and licensees are charged for specific services, such as inspections and licensing reviews, that are provided by the NRC; and (2) the NRC assesses an annual fee to its licensees to recover generic costs that cannot be attributed to specific licensees.

Enclosed is our assessment of the NRC's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the NRC complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the subject matter of the rule is Victor Rezendes, Director, Energy, Resources, and Science Issues. Mr. Rezendes can be reached at (202) 512-3841.

Sincerely yours,

Robert P. Murphy
General Counsel

Enclosure

cc: The Honorable Shirley Ann Jackson
Chairman
U.S. Nuclear Regulatory Commission

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
NUCLEAR REGULATORY COMMISSION
ENTITLED
"REVISION OF FEE SCHEDULES; 100% FEE RECOVERY, FY 1999"
(RIN: 3150-AG08)

(i) Cost-benefit analysis

The NRC was not required to, nor did it prepare, a cost-benefit analysis of the final rule. However, the preamble to the final rule contains an explanation of how the amount of the fees were computed to permit the NRC to recover the necessary costs required by the Omnibus Budget Reconciliation Act.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

Because it determined that the final rule would have a significant impact on a substantial number of small entities, the NRC prepared an Initial Regulatory Flexibility Analysis in connection with the proposed rule.

The entire Final Regulatory Flexibility Analysis (FRFA) is contained in Appendix A of the final rule. The analysis describes the reason for the final rule and the legal basis for it; describes and estimates the number of small entities affected by the rule; discusses the recordkeeping, reporting and other compliance requirements, and the steps taken to minimize the burden on small entities.

The NRC states that the majority of the small entities are material licensees, approximately 1,400 licensees, or 20 to 25 percent of the total material licensees. To minimize the impact of the final rule on small entities, the NRC is continuing its practice of imposing a maximum annual fee to which small entities are subject.

In addition, in accordance with the Regulatory Flexibility Act, the NRC has prepared a small-entity compliance guide, which is published in its entirety as an attachment to the FRFA.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The rule, promulgated by an independent regulatory agency, is not subject to title II of the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was issued using the notice and comment procedures contained in 5 U.S.C. § 553. On April 1, 1999, the NRC published a notice of proposed rulemaking (64 Fed. Reg. 15876) and received 26 timely comments in response; the comments are responded to in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The NRC states that the final rule does not contain any information collections that are subject to review under the Paperwork Reduction Act.

Statutory authorization for the rule

The final rule was promulgated under the authority of section 6101 of the Omnibus Budget and Reconciliation Act of 1990, as amended, 42 U.S.C. § 2214.

Executive Order No. 12866

The rule, promulgated by an independent regulatory agency, is not subject to the review requirements of Executive Order No. 12866.